



Foreign
Broadcast
Information
Service

FBIS-USR-94-085

8 August 1994



CENTRAL EURASIA



FBIS Report: Central Eurasia

FBIS-USR-94-085

CONTENTS

8 August 1994

RUSSIA

POLITICAL AFFAIRS

Potential Candidates for 1996 Elections Assessed [NEZAVISIMAYA GAZETA 6 Jul]	1
Poll Assesses Social Protest Potential [ARGUMENTY I FAKTY Jul]	2
Opposition Leaders on Economy, State	3
Rutskoy on 'National Unity' Assembly [ZAVTRA Jun]	3
Zyuganov on 'State Power,' Union [ZAVTRA Jun]	5
Glazyev on Economic Policy [ZAVTRA Jun]	8
Romanov on Market [ZAVTRA Jun]	10
'Social Democratic' Parties Viewed [NOVAYA YEZHEDNEVNAYA GAZETA 22 Jun]	12
Commentary on Yeltsin Social Accord Implementation Edict [NEZAVISIMAYA GAZETA 7 Jul]	17
Follow-Up to State Duma Election Investigation Reported [OBSHCHAYA GAZETA 8 Jul]	18
Duma Discussion on State Service Draft Law Reported [MOSKOVSKIYE NOVOSTI 19-26 Jun]	19
Laws on Local Self-Government Not Being Implemented [MOSKOVSKIYE NOVOSTI 19-26 Jun]	20
Changes in Attitude Towards West, NATO Polled [MOSKOVSKIY KOMSOMOLET 2 Jul]	21

REGIONAL AFFAIRS

Committee To Draft Treaties on Local Federal Powers Created	22
Text of Edict [ROSSIYSKAYA GAZETA 23 Jul]	22
Text of Statute [ROSSIYSKAYA GAZETA 23 Jul]	23
Delay in Adopting Law on Local Self-Government Discussed [ROSSIYSKAYA GAZETA 23 Jul]	25
Chechen Opposition on Talks With Russia [ROSSIYA 20 Jul]	26
Chechen Vice President Views Current Situation [ROSSIYA 20 Jul]	28
Dudayev Looks to Economic Revival [NEZAVISIMAYA GAZETA 7 Jul]	30
Tatarstan, Crimea Agreements Detailed [KAZANSKIYE VEDOMOSTI 27 Jul]	32
Tatarstan's Political Parties Outlined [KAZANSKIYE VEDOMOSTI 3 Aug]	33
Tatarstan President on State System Reform [RESPUBLIKA TATARSTAN 23 Jul]	33
Tatarstan Land Reform Progress Assessed [RESPUBLIKA TATARSTAN 27 Jul]	35
Tatarstan Post-Voucher Privatization Plan Assessed [KOMMERSANT-DAILY 22 Jul]	36
Tatarstan Housing Privatization Reviewed [RESPUBLIKA TATARSTAN 23 Jul]	37
Tatarstan Privatization Concept Critiqued [SEGODNYA 19 Jul]	38
Economic Relationship With West Viewed [RESPUBLIKA TATARSTAN 2 Aug]	38
Tatarstan Choice of Authorized Bank Viewed [IZVESTIYA TATARSTANA 27 Jul]	40
Tatarstan Adopts Decree on Environment [RESPUBLIKA TATARSTAN 30 Jul]	42
Tatar Decree on Representative, Executive Organ Reform [RESPUBLIKA TATARSTAN 30 Jul]	42
Tatar Decree on Unemployment Benefits [RESPUBLIKA TATARSTAN 30 Jul]	42
Balkar Council Calls for Independent Republic [NEZAVISIMAYA GAZETA 19 Jul]	43
Conflict Between Karachay-Cherkess Leaders Takes on Nationalist Tones [NEZAVISIMAYA GAZETA 21 Jul]	43
Kazan Official on Fight Against Crime [KAZANSKIYE VEDOMOSTI 26 Jul]	45
Nizhniy Novgorod Economy Reported to Worsen [SEGODNYA 14 Jul]	47
Indinok's Travels Through Oblast Reviewed [SOVETSKAYA SIBIR 29 Jul]	48
Decree Implementing Statute Raising Taxes [VECHERNIY NOVOSIBIRSK 25 Jul]	49
Tax Decree Addendum [VECHERNIY NOVOSIBIRSK 25 Jul]	50
Omsk Oblast New Taxes Might Drive Away Business [SEGODNYA 14 Jul]	51
Chelyabinsk Oblast Duma Chairman Views Tasks [CHELYABINSKIY RABOCHIIY 31 May]	52

Tyumen Autonomous Okrugs Agree on Cooperation	[TYUMENSKAYA PRAVDA 15 Jun]	54
Japan To Invest in Sakhalin Economy	[SEGODNYA 13 Jul]	56
Economists Propose Model for Far North Regional Development	[NOVAYA YEZHEDNEVNAYA GAZETA 22 Jul]	57
Opposition Stalls Krasnoyarsk Nuclear Reprocessing Plant	[ROSSIYSKAYA GAZETA 27 Jul]	60
Khabarovsk Kray Duma Statute Published	[TIKHOOKEANSKAYA ZVEZDA 18 Jul]	61
Maritime Kray Fixed Assets Reviewed	[KRASNOYE ZNAMYA 27 Jul]	65
Moscow City Duma To Create Fund Compensating Defrauded Depositors	[MOSKOVSKIY KOMSOMOLET 19 Jul]	65
Law on Publication, Implementation of Moscow Laws	[MOSKOVSKAYA PRAVDA 12 Jul]	67
Businessmen Appeal Against Organized Crime	[SEGODNYA 23 Jul]	67
Sobchak on Economic, Political Benefits From Goodwill Games	[NEZAVISIMAYA GAZETA 20 Jul]	68
Presidential Envoy in Petersburg on Role, Responsibilities	[ROSSIYA 20-26 Jul]	69
Petersburg Deputy Assesses Duma Session	[SANKT PETERBURGSKIYE VEDOMOSTI 27 Jul]	70
Petersburg's Foreign Investment Prospects	[NEVSKOYE VREMYA 29 Jul]	72
Trilateral Agreement Signed in St. Petersburg	[SANKT PETERBURGSKIYE VEDOMOSTI 29 Jul]	72
Petersburg Hotels Taxed to Promote Tourism	[SMENA 29 Jul]	73
Economic Briefs From St Petersburg		73
City, Oblast To Review Lenenergo Rate Increases	[SMENA 4 Aug]	73
Metro Construction Debt Discussed	[SMENA 4 Aug]	73
Russian-Finish Enterprise Produces First Ship Engines	[SMENA 4 Aug]	74
Catalogue of St Petersburg Stores Published	[SMENA 4 Aug]	74

INTERNATIONAL AFFAIRS

January-May Foreign Trade Statistics Reported	[SEGODNYA 16 Jun]	74
Russian, Western Views of Capital Flight Problem Differ	[KOMMERSANT-DAILY 9 Jun]	76
Controls on Foreign Investment in Oil Extraction Reviewed	[SEGODNYA 19 Jul]	77
Lack of Legislation Hampers Foreign Investment in Oil Industry	[SEGODNYA 19 Jul]	78
Tyumen Oil, Gas Center To Promote U.S. Investment	[KOMMERSANT-DAILY 15 Jul]	79
Customs Order on Goods Destruction Explained	[KOMMERSANT-DAILY 15 Jul]	80
German Firm Faces Obstacles in Moscow	[KOMMERSANT-DAILY 16 Jul]	80
Program to Export IL Aircraft Announced	[KOMMERSANT-DAILY 8 Jul]	82
Firm To Get Italian Credits for BE-200 Aircraft	[KOMMERSANT-DAILY 20 Jul]	83
Committee on Pacific Economic Cooperation Meets	[DELOVOY MIR 8 Jul]	83
Japanese Business Delegation Visits Far East	[KOMMERSANT-DAILY 19 Jul]	84
Shipping Line Executive on International Business	[DELOVOY MIR 9 Jul]	84
Russo-Indian Trade Relations Reviewed	[SEGODNYA 30 Jun]	86
Ambassador Views Relations With Syria	[LITERATURNAYA GAZETA 27 Jul]	87
Russo-Turkish Relations Seen Entering New Phase	[NEZAVISIMAYA GAZETA 16 Jul]	88
Chernomyrdin Reports to RF Ambassadors to Africa	[SEGODNYA 22 Jul]	89
Cooperation of CIS Countries' Secret Services Noted	[MOSKOVSKIYE NOVOSTI 3-10 Jul]	90

CENTRAL ASIA

KAZAKHSTAN

Murder Linked to Ethnic Tension	[KARAVAN 29 Jul]	91
Railway System Seen Nearing 'Paralysis'	[KAZAKHSTANSKAYA PRAVDA 27 Jul]	91
First Half 1994 Economic Figures Published	[SOVETY KAZAKHISTANA 23 Jul]	92
Edict on Regional Social Assistance Funds	[KAZAKHSTANSKAYA PRAVDA 20 Jul]	97
Inter-Oblast Economic Cooperation Planned	[KAZAKHSTANSKAYA PRAVDA 28 Jul]	98
Survey on Russian-Kazakh Relationship	[KARAVAN 29 Jul]	99
Further on Terms of Kazakhstani-IAEA Safeguards Agreement	[SEGODNYA 28 Jul]	100
Military Policy Priorities Advocated	[KAZAKHSTANSKAYA PRAVDA 26 Jul]	100
Plans for Space Research Outlined	[SOVETY KAZAKHISTANA 30 Jul]	102

KYRGYZSTAN

Flourishing Drug Trade Turning Kyrgyzstan Into 'Second Colombia'	
[NEZAVISIMAYA GAZETA 21 Jul]	102

TAJIKISTAN

New Political Parties, Organizations Profiled	[NEZAVISIMAYA GAZETA 6 Jul]	104
Deputies' Action on Language Issue Noted	[NEZAVISIMAYA GAZETA 27 Jul]	105

REGIONAL AFFAIRS

Primbetov on Tri-State Council, Agencies	[KAZAKHSTANSKAYA PRAVDA 28 Jul]	106
Road Connecting Almaty, Delhi Proposed	[PANORAMA 30 Jul]	107

POLITICAL AFFAIRS

Potential Candidates for 1996 Elections Assessed

944F0968A Moscow NEZAVISIMAYA GAZETA
in Russian 6 Jul 94 p 6

[Article by O. Dobrocheyev: "Presidents Are Not Made. They Are Born"]

[Text] Potential of Russian presidential candidates

All of the widely discussed potential candidates have already been checked by life for the most important leadership qualities—purposefulness, ability to attract followers, firmness, etc. They have all been tempered in political struggle and are subjectively and objectively ready to battle for the top government post. The only hindrance in the achievement of the established goal could be circumstances, normally insignificant in ordinary life, the most outstanding of which are the circumstances of their potential personal physical and spiritual lives by the time of the presidential election.

The current political biases and economic views of most of the candidates cannot be regarded as key factors affecting their political fates. The active political lives of the candidates evidence a constant and significant evolution of their views.

At the same time, from the viewpoint of the average person who will vote in the election, their professional suitability will not cause much doubt. The relatively low level of society's political awareness will promote that.

The problem of determining the initial circle of potential candidates is important. At this moment it is not that significant inasmuch as any contender who has not declared himself sufficiently loudly by this time has no real chance of winning. This is due to the fact that public opinion in Russia is very sluggish and over a period of less than two years it is practically incapable of adapting to new ideas and individuals.

At present it is rather difficult to determine what parameters will be used by the voters in 1996 to choose a president. By the time of the election the socioeconomic situation will change and its requirements in 1996 are simply unpredictable today. The analogy with countries of East Europe, which are overtaking us in the election race, cannot be complete, inasmuch as sluggishness in development of Russian society is about double that of East Europe with regard to time, while the delay with elections is not that great—about two years.

A more detailed analysis of this problem requires a special and rather extensive investigation, which is of independent interest and therefore extends beyond the framework of this article.

Therefore, today the question in essence may be raised only about whether the candidates will withstand the forthcoming political marathon and which one will be picked by the various strata of the just now forming class

of property owners. Since they will pick the strongest candidates, in essence there remains only one question—which of them will possess the greatest personal, spiritual, and physical potential by the summer of 1996.

An answer to that question may be found using several methods. Let us consider the simplest one—the empirical method of evaluating the personal potential of the candidates. To do so it is necessary to study several "life lines" of the potential candidates, linked with characteristic periods of their physical and creative development.

The periodic character of all physiological and related intellectual processes taking place in the human organism is well known to biologists. As long ago as last century, for instance, Ilya Mechnikov, referring to work done by Buffon in 1749 (in the book *Pessimism and Optimism*, Moscow, 1989, page 94) speaks about measuring human life-span by the periods of human growth, which on the average amount to 14 years.

We never devoted much attention to these questions. Reliance was apparently made on the Marxist concept of the limitless possibilities of the spiritual development of a human personality.

The analysis of any sufficiently detailed biography, however, inevitably reveals the periodic nature, for instance, of career ups and downs or of the creative potential of a person.

Let us examine the presidential candidates from that angle. We shall preface the analysis with one remark pertaining to the quality of biographical data. We utilized data widely published in the periodical press, based on information submitted by candidates. Unfortunately biographical information on many candidates is extremely sketchy. It is not known how the voters are to determine their selection on the basis of such limited information. For instance, in the book *Who Is Who in Russia* (Moscow, 1993) the biographies of Sergey Shakhrai and Vladimir Shumeyko begin in 1990 and contain information covering only the last three-year period of their lives, which, of course, creates considerable difficulties in the analysis of their future careers, which have objectively longer periods of development.

Let us start with candidates with widely known biographies. Boris Yeltsin's biography provides a vivid example of the cyclical nature of life and a professional and political career. Six years after graduating from the institute, in 1963, he reached the pinnacle of his career as a professional builder—he became chief engineer of the dwelling-construction combine in Sverdlovsk. Thirteen years later, in 1976, he joined the elite of the political system of socialism, becoming the first secretary of the Sverdlovsk Oblast Party Committee. In about another 13 years, in 1990, he was elected chairman of the Supreme Council of Russia.

The major stages of his life approximate 13-year cycles. Beside them, however, shorter periods can be seen in the life of Mr. Yeltsin. They include the already noted six-year and nine-year periods between elections as first secretary of the Sverdlovsk Oblast Committee and the Moscow City Party Committee. Information gathered by this time makes it possible to forecast the personal evolution of Boris Yeltsin with some degree of confidence.

Trying to extrapolate this biographical information into the future, it is possible to conclude that between 1994 and approximately to the end of 1997 Boris Yeltsin will go through a period marked by an upturn in creative and physical activity, which will undoubtedly augur success should he chose to participate in the presidential elections.

The same cannot be said about another candidate—Yegor Gaydar. The shorter period of his life and political career does not make it possible to say this categorically, but nevertheless it is permissible to guess a 15-year cycle of his career, which after peaking in 1992, allows one to hope for significant successes no earlier than the year 2000.

Approximately the same may be said about the candidacy of Sergey Shakhrai, with only a brief footnote. If one is to believe reports in the media, Mr. Shakhrai is well aware of his realistic possibilities and does not plan active participation in the forthcoming elections.

Continuing with the list of candidates for whom 1996 is not the best political time, it is worth naming Yuriy Luzhkov and Vladimir Shumeyko. According to our evaluations, the peak of their political career coincided with the period of their maximum personal activity between 1990 and 1994. Because of this it is difficult to anticipate significant success in the next three years.

The group of candidates who will be experiencing an upturn in either their physical or intellectual activities in 1996 includes Viktor Chernomyrdin and Grigoriy Yavlinskiy. In the case of the former, 1967 and 1983 were the most obvious career peaks, when Chernomyrdin first engaged in party work and became head of Tyumen-gasprom. For the latter it was 1990, when he worked on the "500 Days" program. On the basis of this and other biographical data and taking into account their personal cycles lasting approximately 15 and seven years, it is possible to predict high chances of their winning in 1998 but not in 1996.

Vladimir Zhirinovskiy also has relatively good personal grounds for success in 1996. We all observed his clear achievements over the past three years, the peak of which, in our opinion, occurred in 1993. Of course, his potential will decline by 1996—for that reason he fought to shift the presidential elections to 1994. But in any case the period up to 1997-1998 is an active one for him and it is possible to assume that Zhirinovskiy has sufficiently high chances for success in the presidential race.

According to incomplete data collected by this time, it is possible to assume that Ivan Rybkin and Aleksandr Rutskoy will have considerable personal potential in the battle for the presidency in 1996. The former is at present experiencing an upturn that will continue until 1998. The latter reached his high point in late 1993. In 1996 Rutskoy will get his last chance to remain in major politics.

Both of these candidates, however, have problems with the electorate both in elitist circles and among the people.

In summarizing the analysis, it is possible to differentiate a group of candidates with the best chances of victory in 1996. It includes:

B. Yeltsin	(65)
V. Chernomyrdin	(58)
V. Zhirinovskiy	(50)
I. Rybkin	(49)
A. Rutskoy	(48)
G. Yavlinskiy	(44)

In the compilation of this list of candidates their ages at the time of the election (figures in brackets) was considered as an additional positive factor.

Poll Assesses Social Protest Potential

944K1935A Moscow ARGUMENTY I FAKTY
in Russian No 30, Jul 94 p 1

[Article by VTsIOM sociologist Oleg Savelyev under the rubric "Sociological Survey": "Fewer People Are Willing To Participate in Rallies"]

[Text]

	July 1993	July 1994
In your opinion, what is the current probability of mass protests in your city (rural rayon) against rising prices and declining standard of living?		
Quite possible	33	25
Unlikely	51	58
Do not know: no opinion	16	17
If such rallies or protest demonstrations take place, will you personally participate in them?		
	July 1993	July 1994
Most likely yes	26	22
Most likely no	58	61
No opinion	16	17

Higher than average willingness to join protest actions was displayed by blue-collar workers (especially low-skilled), the unemployed, and men as a whole; persons

This report contains information which is or may be copyrighted in a number of countries. Therefore, copying and/or further dissemination of the report is expressly prohibited without obtaining the permission of the copyright owner(s).

over 55 years old; with the educational level of less than high school; with low income; those working in the state sector of the economy; and those living in Siberia and the Far East, in rural settlements and small towns.

Among the potential participants in such actions, there is a relatively higher share of respondents who voted by party lists for communists and Zhirinovskiy's party in the 12 December elections last year.

The desire to participate in rallies and demonstrations is less characteristic than average among housewives, pupils and students, managerial personnel of different level, specialists, and on the whole persons under 25 years old; persons with higher or incomplete higher education; relatively high income; working in the private sector and those living in large cities and especially in capitals. (Over the past 90 years, residents of Moscow and St. Petersburg apparently have lost a great deal of their revolutionary potential, which is evidenced by the fact that they are three times less likely to participate in rallies and demonstrations than the Russians in the sample on average.

Opposition Leaders on Economy, State

Rutskoy on 'National Unity' Assembly

944F0971A Vladimir ZAVTRA in Russian
No 22, Jun 94 pp 1, 2

[Article by Aleksandr Rutskoy, leader of the Russian Social Democratic People's Party: "The Blood of October Was Not Shed in Vain"]

[Text] In October, sad as it may seem, we have to state that we not only suffered a serious political defeat but paid with the blood and lives of our fellow countrymen for our lack of organization and unity in achieving our objective.

In this regard, a question is natural: Why was the outcome of the October events precisely as it was? And there is an unambiguous answer to this.

First, the hopes did not materialize that the people would support us with an all-Russian civil protest, and those who came to declare their support were simply not enough to oppose force. True patriots of the fatherland came, for which they earned honor and glory.

Second, the lack of a unified, united opposition. Hence the insufficient organization, uncoordinated and chaotic nature of the actions during the difficult hours of the ordeals.

Third, the levers of control and interaction with the mass media were completely lost. The regime was able to crush completely all the electronic and print mass media. As a result of massive brainwashing of the citizens, the population was completely deprived of a true picture of what was taking place in Moscow.

Fourth, the uneven correlation of forces and assets as a result of betrayal of the Constitution and the country's supreme legislative body by the leadership of the Ministry of Internal Affairs, Ministry of Security, and Ministry of Defense. Thanks to this, the regime managed to concentrate the necessary forces on the decisive axis, using funds from the state budget, and "sponsor" elite Army units and formations of the Ministry of Internal Affairs for conducting combat operations against unarmed people and legally elected representative bodies of power.

It is high time to call a spade a spade. The tragedy of October showed all those who, acting on behalf of the people, at the critical moment rushed into the bushes, took up the position of an outside observer, an all-foreseeing "centrist," and some openly embarked on direct betrayal, supporting the actions of the president. Therefore, the opposition, if it intends to be such, must draw the appropriate conclusions so the tragedy and the shameful defeat are not repeated.

Before it is too late, we must make the masses realize and explain to people that, as a result of the bloody massacre in Moscow, dispersal, and execution of supreme constitutional bodies of power, an anti-popular police regime was established whose main levers of government are violence and misinformation. We are obligated to explain unambiguously to society what should be expected in the future from the anti-popular regime that has gathered under its wing a high-handed clan of power-hungry people, unprincipled politicians, and adventurers with degrees, openly selling out Russia wholesale and retail.

The "new Russians" are the mafia clans and corrupt civil servants serving their political, ideological, and social interests, and the part of the intelligentsia that sold out to the regime part, and the criminal world.

The collapse and political instability suit them, for it is precisely these conditions that enable them to buy up national riches cheaply and export stolen capital abroad.

Hence their main goal—disintegration of society, depriving it of the will to resist and self-organization, cultural and moral degradation, and in the end enslavement of the sections of the population not submitting to the "remolding."

In addition, the conscious policy first of Gorbachev's "perestroika" and then Yeltsin's "reforms" was set forth to execute the political order of competing powers who feared our military-political might and influence in the world and also to carry out the missions of international finance and industrial groupings reaching out their hands for our raw material resources.

Thus, we have the full right to assert that the regime established in our country serves the interests of western powers, international finance circles, and their "fifth

column" in Russia—the "new Russians," for the consequences of their destructive activities are affecting all spheres of life in society, above all, in foreign policy, the economy, and the social sphere.

The damage inflicted by the reformer-enthusiasts at the behest of western patrons is incomparable even to the destruction of the country's industrial potential caused by murderous war with fascist Germany. For many positions, indicators of the condition of the country's economy and the population's standard of living dropped twice as far as during four years of war.

Moreover, a wasteful plundering of public property and selling off of it for next to nothing are occurring under the guise of privatization. Tens of billions of dollars stolen from the people have established residence in foreign bank accounts. Democratic "fighters with privileges" are stealing on such a scale that all the tales about the free and easy life of the "party nomenklatura" look like harmless amusement.

In conditions of a crisis that is growing progressively worse, the regime was forced to conduct a regrouping in the government, which was purged of some of the bankrupt monetarists (unfortunately, there was not enough intellect and boldness to get rid of them completely). So-called "business managers" were introduced into the composition of the government. This maneuver aroused naive hopes among some representatives of the opposition that there is some strategic progress behind them and that now "pragmatists" and "business managers" are coming to power who will put an end to the shock therapy and take up accomplishing urgent tasks for saving the country's economy, suffocating industry, and agriculture.

However, this non-vital hybrid of market and administrative systems of economic management being proposed now in conditions of the worsening crisis also can only delay the outcome, but subsequently will still lead to hyperinflation, complete paralysis of the country's basic life-support systems and, as a result, to the financial collapse of the state and social disaster. This will be followed, I hope everyone understands, by an auction to sell off the country or a revolution with all the ensuing consequences—civil war and a complete breakup of the state into separate principalities.

The government, in declaring the transition to socially oriented reform, continues, as before, looking back at the leader, to work in the "firefighting" mode, concentrating efforts on problems of operational control for plugging holes. Instead of creating a system for controlling the current economic process, putting firm order in the financial system and economic relations, and developing and consistently implementing not utopian ideas of a pseudo-market economy, but a real economic program in the interests of the society and state, the basic principles of which should be control, priorities, and incentives, it engages in demagoguery about the allegedly coming stabilization.

Why is the transition to this direction not realistic today? It is because there cannot be any change in the socioeconomic course without resolving the main question—the question of power. And talk about "a government of national harmony," "a team of technocrats" or "pragmatists," is nothing more than a myth, utopia with no real basis, for the strategy of development of the country's economy is determined by the one who holds the levers of control in his hands. Unfortunately, it must be admitted, they are held by those for whom the meaning of life is in the insatiable thirst for power, willingness to serve, and personal enrichment, who bow slavishly before the strong of the world, who ruined the country's economy and drove the people into poverty.

After the bloody reprisals, the "October victors" not only escaped responsibility for the collapse of the power and for the damage inflicted on the national economy but also consolidated their domination, forming a parliament without any real power and pushing through an imposed referendum a new democratic, if you could call it that, constitution.

Hundreds of billions from the taxpayers' pockets were thrown into a propaganda campaign, and the best—and far from free—cheats and specialists in election campaigns were enlisted, called "international observers" for our unsophisticated resident.

But 12 December became a cold shower for this beau monde. Despite all the machinations and the massive juggling of the facts, fact remains fact: more than two-thirds of the citizens having the right to vote rejected Yeltsin's constitution.

The entire farce for its adoption, the "Russia's Choice" elections, PRES, and "YaBLoko" became possible thanks to one thing—violation of the law. Therefore, today we are dealing with an illegal, unconstitutional, and illegitimate political regime that became firmly established as a result of a coup d'etat and falsification of balloting.

Striving to preserve its shaken situation after the crushing knockdown in the December elections, the ruling grouping began to sharply change the ideological rhetoric, adapting to the moods of the people. The slogans "Strengthening Russian statehood," "Stability of the economy," "Social harmony," "Social orientation," and so forth became its theme.

By these actions the regime is trying to demonstrate to the society that certain profound changes are taking place in its course, aimed at giving it an above-party and above-ideological status, and that "statesmen" concerned about the people's good and social stability are now at the helm of power in the country. This maneuver, according to those who came up with it, is to lull the vigilance of the opposition and virtually nullify its activeness by borrowing some of its slogans.

Sad as it may be, people now already believe the other complexion of the "democrats," as always, forgetting to ask them: Why did you destroy all this?

It would seem there is no communist system, no socialist camp, and no Warsaw Pact; therefore, there is no need for NATO to exist. But NATO not only exists, it is getting stronger. There is a legitimate question: Why and to what end? There is an answer—to win world domination and establish a "new world order."

As far as Russia is concerned, the United States still needs an image of an enemy at whom it can point a finger and with which it can frighten, but control completely and keep on a short leash. To do this, by the way, the "Partnership for Peace" is being created. The United States is vitally interested in having a moderate-patriotic "stuffed animal" sitting in the Kremlin that could, unnoticed by others, pull strings and direct toward the necessary direction beneficial to U.S. interests.

Today, we cannot help but touch upon the theme "Let us live amicably." Experiencing the poorly concealed inferiority complex after the coup d'etat and the failure of the December election farce, the regime decided to spread out the blame on everyone and cover its own shame with a fig leaf with the title "Treaty on Public Harmony." This would look funny if it were not so sad, for to have the head of state sign a treaty with heads of the administration and government appointed by him, to make an agreement with socio-political organizations on a complex of self-evident issues, moreover regulated by law, is nothing more than a spectacle, a farce with a tragic ending known in advance.

What should we do today to stop the national shame and the all-absorbing economic crisis?

First, not in words but in deed, unite the patriotic forces into a mass popular movement having a precise organizational structure and discipline. Create an organization capable not only of getting the society up from its knees but also of leading the people toward achieving the main objective—revival of the great power and a worthy and happy life.

Second, clearly and precisely state the movement's strategic objective—it is such and cannot be different: accession to power and implementation of a complex of measures to institute order and restore the economy and state unity of the country within the borders of the Soviet Union. The path to this is through victory in the elections.

Therefore, we must unequivocally state that we demand early elections to be held for president of the Russian Federation. And not simply demand, but write petitions and resolutions, act decisively in this direction, and conduct a broad campaign for gathering signatures, explaining the essence of what is taking place in the country, and forming a popular civil protest.

Third, we must oppose the "harmony" with the anti-popular regime being forced upon us with unity of the nation in the struggle for our great future and unite all the country's healthy forces.

In light of accomplishment of these tasks, it is necessary to gather in September and October an assembly of national unity, in which all to whom the fate of the fatherland is not immaterial must participate—political movements, public organizations, parties, trade unions, cultural, production, and scientific associations, and representatives of regions who have not signed the Kremlin treaty. The headquarters of the social-patriotic movement "Derzhava" now being created is willing to assume the organizational part of this measure.

Fourth, in the process of preparing the assembly, we must develop a unified political and economic program of a united opposition so the people have a clear understanding of our goals and tasks.

Fifth, at the assembly we must draft and sign a memorandum on national unity, which will contain a solution to all problems and contradictions up to now tormenting society and the opposition. We must stop playing on the enemy's field and according to the rules that they themselves make up and constantly change. We must not sit at the table with the cheats. We must make up the rules of the game ourselves based on the law.

Sixth, at the assembly we must form and proclaim an opposition government and plan candidacies for all positions in state government, down to the regional level.

Seventh, the assembly must resolve the question of advancing a unified nomination from the opposition in the presidential election.

Only after becoming united will we be able to accomplish the tasks facing us. And then we will be able to say boldly that the blood of our ancestors and our comrades who were left to lie on the barricades of Krasnaya Presnya was not shed in vain.

Thank you for your attention.

Zyuganov on 'State Power,' Union

944F0971B Vladimir ZAVTRA in Russian
No 22, Jun 94 pp 1, 3

[Article by Gennadiy Zyuganov, member of the State Duma and leader of the Communist Party of the Russian Federation: "On State Power"]

[Text] First a few words about the essence of power. To talk on the theme of "All power to the Soviets," the Soviets were eliminated and executed. To talk on the theme of "Let the Party guide us," they tore down all state rudders of the multinational state. To talk of "division of powers," they destroyed all government in the country. And today our huge ship of state is lounging about in the raging political sea and is about to be cast on the reefs.

In principle, power is indivisible. And we should talk only about dividing functions, collateral subordination, and coordination of parts of the single whole. True,

lately they have been talking only about legislative, executive, and judicial powers. Realistically, though, power has a much more complex structure: there is still conceptual power; power of belief and tradition; power of strength and money; and power of information. It is most curious that conceptually, information and financial power, which were loaded into the best computers and technologies, turned out to be more terrible for us than Hitler and Napoleon combined. It destroyed the USSR. It was let into the state body like a foreign virus into a computer system and ate it away.

The situation today is the most complex inside the pyramid of power copied from the pre-revolutionary times, from 1917. The tsar (president) has all the powers, the government is uncoordinated, and the Duma is not in a position to stop the rivalry between the first two.

In conditions of a systemic crisis, the government and the executive power must act according to strictly defined rules as a unified team. Otherwise—any systems specialist will tell you this—the power will not be in a position to govern. However, for all practical purposes, today we have four governments. The president controls the power structures. Chernomyrdin controls the Gas Industry and a number of “non-firing” economic structures. Russia’s international policy is, it seems, under the complete jurisdiction of the U.S. State Department, and the Russian Ministry of Foreign Affairs submissively executes its requirements. Information power completely belongs to “Russia’s Choice,” which, having seized the press and television, ignores all attempts by the parliament to demonopolize information power.

The main task of power is to present oneself exclusively in the form of executive power. This is an opportunity for the real directors of the Russian strife to further control the collapse of country, without bearing any responsibility for this. Therefore, official propaganda is so filled not with the cult of personality, but the cult of position.

Under the cover of the hollow “division of powers,” traitors of the fatherland carry out their strategic anti-national tasks: elimination of competitive sectors of Russian industry; conduct of a second redistribution of property; destruction of the spiritual roots of the nation; turning the Army into a zonal command and the law enforcement system into a punitive apparatus. To distract public attention from these tasks, they are trying cause a quarrel between Russia and Ukraine over the Crimea, between the Orthodox and the Moslems on the grounds of excessive activeness of foreign advocates in Russia.

So what specifically is today’s state power? The content of our actions, their overall orientation, and the means of achieving set goals depend on this.

First of all, it must be stated that this is the power of the parasitic minority over the huge majority of the people. This fact not only is not concealed but is openly and

cynically emphasized by both Yeltsin and Gaydar. It is frankly stated that the goal is to create a new layer of property owners whose interests they intend, above all, to pursue and protect. Quite revealing in this respect is the statement by such a “troubadour of capitalization” as Dragunskiy. He writes: “When the reforms are victorious, that is, when the government consolidates the debits and credits, supply and demand, and makes the ruble convertible, one-tenth of the population will live in the situation of economic reforms... The task of the state is to see that this circle is not broken by the unfortunate masses. In this regard, our Army will have to play a special role in implementing the reforms” (NOVYY MIR, No 1, Jan 93).

We all understood in October of last year what this special role involved.

The domination of a handful of people covering up for each other and amassing a fortune looting public property is becoming increasingly stronger. Since looting and mass stealing have become possible with the permission and encouragement of this power, it itself is becoming criminal, turning corruption into an common, everyday phenomenon. At the same time, support by international capital is making the Russian power a particularly anti-national force.

The September-October coup d’etat was also aimed at bringing the form of power in line with its new essence.

The defeat of the system of Soviets turned the representative bodies at the center and in the provinces into powerless appendages of the executive structures. The sharp limitation of the parliament’s powers was accompanied by the virtually complete disappearance from its composition of representatives of the bulk of the population—workers, peasants, and the rank-and-file intelligentsia. The parliament and local representative bodies were filled with civil servants.

The elective representatives’ control of the system of administration is being curtailed completely. The link between supreme and local representative bodies is being destroyed. Thus, a regime of autocracy is being formed, supported by a huge army of civil servants that is twice as big as it was three years ago. Even G. Popov admits that the Soviet Union has now been replaced by nothing more than a “bureaucratic system in which property will basically be distributed among the various groups of bureaucrats (central and local, federal and sectorial, official and mafia), and a ‘bureaucratic colonial democracy’ as a mechanism of coordinating the interests of the individual groups of the class of bureaucrats will become the state form of power” (IZVESTIYA, 19 May 94).

The Second All-Russian Conference of the Communist Party of the Russian Federation held in April of this year concluded that this regime lacks any constitutional or legal basis and is one of the main sources of civil confrontation and a most serious obstacle to social harmony.

This report contains information which is or may be copyrighted in a number of countries. Therefore, copying and/or further dissemination of the report is expressly prohibited without obtaining the permission of the copyright owner(s).

The conference developed a number of general democratic measures in the political sphere aimed at overcoming peacefully the situation that has developed. And I believe that these proposals of ours could be taken as the basis of the movement "Harmony for the Sake of Russia."

Their essence lies in the need to overcome the garish imbalance of power, which already three times in the history of the Russian state has led the country to the brink of a national disaster. And this requires establishing such a procedure of interaction of legislative, executive, and judicial power bodies, as well as political parties, trade unions, associations of commodity producers, and public organizations which would ensure not only a real balance and strengthening of guarantees of fulfillment of their functions and mutual obligations but also a substantial increase in responsibility for the state of affairs in the country.

Today, the executive power is irresponsible as a result of its virtually complete lack of control, and the legislative power is irresponsible as a result of its complete lack of rights. It is impossible to increase and redistribute responsibility without redistributing powers among the branches of power and strengthening their mutual democratic control. To do this, the following is necessary:

- overcome the existing alienation of the chambers of the Federal Assembly and define the spheres of their joint equal jurisdiction, encompassing primarily the Federal Assembly's relations with the executive power;
- overcome the dualism of the executors—dual subordination of the ministries and departments to the head of state and to the head of government. Total operational subordination of them to the prime minister. Clarify and significantly limit in this regard the jurisdiction and functions of the president and his administration;
- a transition to the principle of the government being responsible to representative bodies and legislative determination of the structure and staffs of the government by the Federal Assembly. Its approval of the government program being submitted by the candidate for the post of prime minister, which defines the basic goals, means, and time periods for achieving them, and also the personnel composition of the government. Inadmissibility of interference into the government's operational activities within the framework of its fulfillment of the approved program and the possibility of resignation of the government on the initiative of the Federal Assembly in the event of deviation from the program;
- exclusion of bodies having jurisdiction over state radio and television broadcasting from the system of executive power. Forming them on a parity basis by parliament, the government, and the judicial power,

taking into consideration the opinion of political parties, and professional and public organizations. Ensuring equal access to the air to representatives of all branches of power, political parties, and professional and other public organizations;

- restoration of the complete vertical line of representative bodies of power and extend to executive bodies the principle of responsibility to representative bodies at all levels of government; return the bodies of local self-government to the system of state power;
- strict delimitation of spheres of jurisdiction between higher and lower levels of state power and strengthening the independence of the latter in exercising their powers;
- agreement that the main priority in the policy of strengthening Russian statehood is the re-creation of a union state on a new, voluntary basis. Denunciation of the Belovezh agreement in the part that concerns cancellation of the Union Treaty.

The following could be the basic steps for launching work of the movement to organize the popular masses to restore legitimacy in the country:

- create in the provinces movement committees, including in their composition representatives of all parties and organizations speaking out in support of "Harmony for the Sake of Russia." Organize information between committees from the top down and from the bottom up, coordinate general measures, speak in the mass media, and conduct various actions;
- create on the basis of the movement an electoral bloc capable of winning in any election. Coordinate and support candidacies at elections in the constituencies, form authoritative party lists, and work to make the necessary changes to election legislation;
- preparation of proposals to create a government of people's trust should become the most important part of our work that we must begin immediately. The composition of candidates for such a government should be published and the work of its members organized to study the situation in the corresponding spheres of public life and their speeches in the press and on television. A detailed program must be formulated, cadres of highly skilled managers selected, and professional training of them conducted. (I want to point out specially that in today's structures of executive power there are quite a few talented people, but the lack of a systematic approach or program does not enable them to realize themselves. We declare that all talented people will be claimed to implement the program of national salvation.);
- according to the election results, such a government could be turned from a shadow government into a real government of people's trust. However, without waiting for the elections, the opposition must already today speak out in favor of creating a government of

the parliamentary majority, which from the very beginning will reject the policy of "shock reforms" and subordination of the country to the interests of foreign capital. With the appropriate efforts, such a majority can also be formed in today's parliament;

—simultaneously with preparing for the general elections, we must prepare for the presidential elections. Here "Harmony for the Sake of Russia" obviously should orient itself on creating from the most authoritative leaders a distinctive "state Soviet." In the event presidential elections are called, one or two candidates could be nominated without having to advertise them before calling of the elections. Opposition candidates to the post of president could make a general statement that the presidency as a state institution is contrary to the historical experience and traditions of Russia (election in the Soviet or Congress).

In our view, one of the new president's first actions should be to make an amendment to the Constitution on abolishing the institution of presidency and restore true government by the people in the person of a unified system of Soviets of People's Deputies with the elimination of the posts of all sorts of administrators. Each Soviet should be accountable to it an executive body that is simultaneously under the jurisdiction of a higher body of administration.

I want to re-emphasize that an integral part of the activities of the "Harmony for the Sake of Russia" organization must be the struggle to re-create on a voluntary basis a renewed Union of Soviet Peoples. The most important action here would be denunciation of the Belovezh accords by the parliaments of all states formed on the territory of the USSR.

The first public step in this direction could be to adopt a general concept of restoration of the Union by the Second Congress of Peoples of the USSR and to hold a meeting in the Belovezh Forest in December 1994 of representatives of the patriotic forces of all Soviet republics, who on behalf of their peoples would announce the cancellation of the criminal collusion of the three presidents.

Glazyev on Economic Policy

94410971C Vladimir ZAVTRA in Russian
No 22, Jun 94 pp 3

[Article by Sergey Glazyev, chairman of the Committee for Economic Reform of the State Duma: "Stabilization and Spurt"]

[Text] The present economic condition of the country can be characterized as a deepening social and economic disaster. The obvious signs of economic stabilization, expressed in a decrease in inflation and a stop in the decline of real income, and the definite growth in the sphere of trade and financial transactions should not mislead us. The decrease in the rate of inflation has been achieved through a deepening of the nonpayment crisis,

an increase in state debts to enterprises and the population, and an increase in speculative transactions. In actuality, all these indicators are extremely unreliable signs merely of recovery of the speculative sphere of Russian economic activities.

The production sphere continues to experience an accelerating economic recession. During the last six months the economic recession reached record indicators. The indicators for the first quarter of this year are the worst from the standpoint of dynamics of social production during the entire period of economic "reforms." The decline in gross national product in the first quarter of this year on the expectation for the year compared to the first quarter of the previous year was 16 percent; the decrease in industrial production exceeded the 25 percent mark. Production in machine building declined more than 50 percent, and the overall amount of the decline today compared to 1990 exceeded the 50 percent mark. In a number of industrial sectors, with which we associate Russia's future economic growth, the decline has already exceeded 70 percent.

Indicators of innovation and investment activity do not instill any hopes, and banks are not issuing long-term credits to production. Today an eating away of amortization funds and a rapid degeneration of the production apparatus are taking place.

We are observing a process of a rapid, progressing, and largely already irreversible deindustrialization of our country and turning it into a raw materials periphery of the world market. Unfortunately, in conditions of destruction of the state sector and industrial production, we are not observing even a hint of serious economic growth or revival in the market sector and in new spheres of economic activity. The indicators of activity of privatized enterprises are not a bit better than the indicators of the state sector. New forms of economic activities are not emerging.

Criminalization encompassing our market economy is suppressing competition and blocking the action of mechanisms of the market organization of production. Monopolism in all its negative manifestations is intensifying. We have not been able to start up the mechanism of competition. The capital being washed away from the production sphere is concentrated in speculative transactions and is going abroad in considerable amounts.

The previous pattern of privatization, which has already brought about tremendous chaos in public production, continues to operate. It has largely reached the point of being absurd. Today, the largest state monopolies, such as "Gazprom" [Gas Industry], the gold mining and gold processing industry, and the space sector, that is, those sectors which even in countries with a developed market economy are either owned by the state or under its strict control, are being privatized for next to nothing.

Unfortunately, in recent months we have not observed signs of changing this economic policy, despite the fact that a presidential message received by the Federal

Assembly announced a change in the economy policy and a transition to rational and understandable principles of economic policy.

Recently, at the State Duma we received the draft federal budget, which also did not contain any signs of a change in economic policy and pursued irrational and purely departmental priorities; an unrealistic prognosis is at the basis of the governmental draft.

The program we developed for overcoming the economic crisis and for creating conditions for the country's revival and its economic growth.

Here are its basic provisions.

The program sets the task of restoration and development of scientific and technical potential, ensuring the country's defense capability, economic rights and freedoms of citizens, protection of the rights of ownership and business activities, preventing threats to the country's economic security—deindustrialization, destruction of base sectors of the economy and infrastructure, export of capital, and loss of intellectual resources.

Its first bloc could be briefly called the "putting in order" bloc.

Order in the state sector is a paramount task. Over the course of two years we have not been able to get from the power a clear answer to the question of where the funds from the state budget are disappearing. There is no normal classification of budget expenditures. We cannot find the logic for spending of state funds and encounter a constant arbitrary sequestering of state expenditures and arbitrary manipulation of them. This is detrimental not only to the budgetary sector but also to the interests of ensuring macroeconomic stability as a whole.

"Harmony for the Sake of Russia" proposes a concept of budget reform and reorganization of the entire system of working with the budget, a new budget classification, and other measures which should normalize management of state finances.

An equally important matter is putting the management of state property in order. Up to now, the budget has not shown income from state assets in the form of stocks and bonds of joint and state enterprises. We propose to reform the system of managing the state sector based on the division of all state assets into two categories: non-commercial state enterprises, which should be granted the status of public enterprises, with respect to which rigid restrictions on the freedom and responsibility of the director corps should be introduced; the commercial sector, which should be managed based on market criteria, and the activities of its directors will be evaluated according to the increase in the value of real state assets and according to their profitability. Management of public enterprises should be based on a system of state property funds that are responsible to a representative

power for the efficient use of state property in accordance with state plans, which must be approved annually for its facilities.

A number of measures for putting order in the credit system have come to a head. Up to now it has not been possible to normalize the flows of credit issuing. There are no clear plans and forecasts with respect to the repayment of credits issued by the Central Bank.

Above all, it is necessary to put order in the mutual relations of enterprises. Today, a large part of major contracts is not being fulfilled, and a large portion of credits is not being repaid on time. We propose to introduce a number of new acts into economic law governing this sphere and also to improve the judicial system for resolving disputes and procedures for examining them, and to make more extensive use of economic sanctions with respect to those who default.

The second bloc of issues is associated with macroeconomic stabilization. The program proposes a set of measures for overcoming galloping inflation: regulating prices for the main goods that generate inflation; state control of production monopolies; putting a stop to the unscrupulous practice of monopolists; a number of measures are also planned for changing the income policy and for controlling overall demand.

The third bloc of issues is associated with structural restructuring of the economy. The main task of the measures included in it is to bring into manageable conditions the structural crisis that has already encompassed all sectors of material production. This involves programs for clearing up, reorganizing, and changing the specialization of obsolete enterprises, which cannot accomplish the task of structural restructuring without patronage of the state, and programs for creating "growth points," stimulating competitiveness of the Russian economy, and attracting investments to realize the competitive advantages of our industry.

This involves developing priorities of a long-term scientific-technical and structural policy and a system of programs which is to implement these priorities. This bloc also prescribes measures for supporting investment activity. In particular, it proposes to limit the commercial use of funds which should go for accumulation, specifically amortization deductions; to form special development institutes ensuring state support of investment activity; to grant state guarantees for attracted private capital in promising directions of economic growth.

Regulation of foreign economic activities must be subordinate to the tasks of structural restructuring and macroeconomic stabilization. A new approach to forming customs tariff rates is planned. Measures for protecting the Russian domestic market from the threats caused by the liberalization of foreign trade are substantiated. It is proposed to introduce currency control

measures: expenditure of currency both for the import and export of strategically important raw material commodities.

The fourth bloc is associated with creating conditions to increase the economic activity of productive directions. This involves reforming the tax system. It is planned to propose a new tax code and a new tax system in general; sharply decrease taxation of productive types of activities; make tax-exempt spending on development of production; and simultaneously increase the tax burden on speculative transactions and on the export of capital.

However, all these measures can be conducted only if the state machinery is reformed. Today it is incapable of implementing a rational economic policy. In addition to developing a program, we must develop measures that are obvious to everyone for strengthening the discipline of state employees, reorganizing the system of government agencies, and dividing the functions among the various government agencies in accordance with the basic tasks of the economic program.

Romanov on Market

944F0971D Vladimir ZAVTRA in Russian
No 22, Jun 94 pp 2

[Article by Petr Romanov, deputy of the Russian Federation: "Into the Future Without a Market"]

[Text] On the market paths, Russia has no future, for a whole series of objective circumstances:

First, the fallaciousness of the policy of direct transformation of the command-distribution economy into a market economy without prolonged preparatory and transitional periods.

Second, according to geopolitical position, our country is located on the edge of market civilization: to the west is a barrier of the former republics and socialist countries of Eastern Europe; to the north is the Arctic Ocean; to the south are the former union republics. Only to the east, and then beyond seas and the ocean, can market neighbors gravitate toward us. Due to the vast remoteness of our producers from the sales markets and consumers from the suppliers of imported products, in equal economic and technological conditions our products are less competitive in the foreign market.

Third, the extreme nature and climate conditions do not make it possible to create agroindustrial complexes and life-support spheres of human activities equal to developed market countries in volume and quality of services given the same socially essential spending per average statistical Russian.

Fourth, the absolute vast majority of our enterprises and organizations created for the functioning of an integrated union-wide state concern do not meet the requirements of market ideology, at the basis of which is the free

movement of labor and capital and their most effective use. Therefore, they are unable to adapt and effectively function in a market economy.

Fifth, the accelerated development of the mining sectors in the northern and remote territories with industrialization of life and the daily life of these regions has required enormous spending. In market conditions, these territories are not able either to develop or even maintain independently their functioning. The market invariably will get rid of them.

These are the basic, but not all the objective factors making a free market unacceptable for Russia. If we want to live in harmony with our land, we do not have the right to ignore them.

By virtue of these factors, our socially essential spending in unit of the gross national product is approximately 2-3 times higher than in successful market countries. The total essential spending per average statistical resident of Russia, according to the standard of market countries, will be 8-10 times higher than per average statistical resident of Western Europe.

If we are able to work 8-10 times more efficiently in similar socio-economic relations, only then will each of us live economically and materially like the average statistical European.

This is neither theoretically nor practically possible. Neither a decisive leap into the market through the Yeltsin-Gaydar "shock surgery," nor through creeping into Gorbachev's petty bourgeois capitalism, nor through the impracticable dreams of the liberal democrats from the former Supreme Soviet can we either jump or crawl into a market paradise.

Today's temporary commodity and consumer well-being of Russians is another myth about the effectiveness of market transformations in Russia: index and pay wages in a timely manner and the store shelves will be empty. When enterprises begin to operate normally, we will again encounter a shortage of raw materials such that we have never dreamt about.

The regime's pride is the stocks of grain in Russia's grain bins. But, you see, before we purchased grain and other food raw materials in the West and processed it at our own enterprises. Now we have "swamped" the Russian market with foodstuffs and drinking products from the West, thus creating jobs for the western commodity producers. And who of the agrarians will sell grain at a price per kilogram that is five times below the price of a 700-gram loaf of bread. Soon we can raise a pool of wheat and store it till doomsday.

During the two years of reforms and destruction, wear and tear on fixed capital approached 60 percent; wear and tear on tools of labor and technical and technological deterioration exceeded the 80 percent mark. A few more months of market violence on the domestic economy and there will be nothing to restore. True, we will still be able to stay afloat, avoiding freezing and starving to

death, by selling land, deposits, and other of our riches or leasing them on concession.

You see, it is not a disaster behind this, but an abyss from which neither the rulers nor the opposition can find their way out of.

If we are able to bring to power a government of wise and patriotically motivated specialist-pragmatists, we can obtain a highly efficient new type of mixed economy in a short time without significant socio-economic and political upheavals.

To do this:

1. Conducting a resolute restructuring of management of the economy on the Federation and regional level, reduction with the simultaneous functioning effectiveness of the management staff at all levels, fundamental changes in the financial, tax, and budget policy; introducing into mutual relations of commodity producers and consumers completely new and effective relations through an inexpensive and exceptionally effective integrated commodity-conducting system; having introduced strict state regulation of foreign economic activities; having restored commodity exchange ties with our traditional partner-states, we will be able to decrease by a factor of 2-3 the nonproduction social costs in a unit of gross national product, ensuring the competitiveness of domestic products on the domestic and foreign market. Having thus freed huge material, financial, and labor resources from their inefficient and wasteful use, we will ensure a sharp increase in our capabilities for a rapid not only restoration but also a sharp increase in the volumes of domestic production.

In doing so, the capacity of the domestic consumer market of means of production will increase, which will even further provoke an increase in volume and assortment of domestic product output. Having thus ensured stabilization of the productive sphere in society, we will be able to ensure an increase in the incomes of the population as a whole and of each in particular. This, in turn, will make it possible to utilize even more widely the financial assets of the population in investing in domestic production. The result, not on paper but in real life, will be a merging of national and private property into a unified economic potential.

A sharp increase in volumes and an expansion of assortment of domestic products being produced will inevitably lead to fiercer competition in the domestic market and to a search for ways to decrease domestic product costs.

In the beginning of the restoration period, having decreased artificially by resolute means the socially essential costs in a unit of gross national product, in a very short period of time (2-3 years) we will ensure the economic need of decreasing the production and non-production costs resulting from the competitive struggle of producers and territories to introduce their products on the consumer market.

2. Having recast the active part of the population during the restoration period into productive activities, having ensured the largest individual income in it according to results of labor, having transferred to leasing with the right of redemption, and having made maximum use of personal private tools of labor, instruments, and devices in collective, joint stock, and other group and collective enterprises and farms, we will unite the remaining public and private property, having ensured its most efficient use and careful attitude toward it.

Most importantly, we will get millions of worker-property owners living not on the illusory rent from a hollow voucher or shares of stock of a money-lender fund, but from the effectiveness of labor of each person and society as a whole. Without a doubt, initially we will not be able to avoid losses: there will be drunks and simply irresponsible performers, tools of labor that go out of commission prematurely, and those who refuse and do not wish to conclude contracts and a lease agreement. But this is a temporary phenomenon. It will in no way affect the society's process of recovery from the dependent consumption syndrome.

3. Having ensured the flowing of a considerable portion of domestic capital, private funds of citizens, and our best minds and power of the military industrial complex into accelerated structural restructuring of the economy for increasing the output of domestic goods and efficient use of mined raw materials and energy resources; in a short time we will rid the country and society of a considerable assortment of imported finished goods and means of production. Having thus freed up a considerable portion of currency from export, we will be able to ensure timely payment of our debts and investment in the further accelerated development of the domestic economy, which will make it possible constantly to increase effective jobs, ensure the re-emigration of part of the population from economically unfavorable regions to the most efficient ones, not having made our strategic losses for the future development of territories that are still inefficient and little developed today.

4. We will not be able to achieve any considerable economic results without fundamentally changing the policy and propagandizing it via the mass media. We must immediately switch from propagandizing funds, banks, vouchers, and "sneakers" to propagandizing the effectiveness of productive labor and its higher profitability, to propagandizing investments in the production of goods and services, reflecting the effectiveness of investments in its individual types and thus provoking more effective activities to decrease costs in production facilities lagging behind.

5. We cannot change the psychology of a dependent-spendthrift without measures of effective state influence through the mass media, public and political organizations, power structures for alcohol propaganda and mass drinking, the rapid growth of toxic and narcotic poisoning of society, the cult of violence, pornography,

prostitution, gambling, and other massive influences on the moral stability of the individual and society as a whole.

'Social Democratic' Parties Viewed

944F0925A Moscow NOVAYA YEZHEDNEVNAYA GAZETA in Russian 22 Jun 94 p 5

[Article by Mikhail Malyutin: "The Russian Elephants' Wedding on the Social Democratic Lawn"]

[Text] "Soviet paralysis is the most progressive paralysis in the world" (a joke from the era of the second Ilyich).

"The Russian workers rashly fell in love with Trotskyi and Ilyich et al.... The Russian workers rashly shot Trotskyi and Ilyich et al."—B. Savinkov

The question is certainly intriguing: Will Russia, like Eastern Europe, be re-experiencing a renaissance of "leftist" ideals? Some people believe that it will. The author of this article has his doubts. After hearing different points of view and different stories, we decided to discuss the matter in detail on the pages of the "Political Supplement."

In view of the many elements of the "leftist" part of the spectrum today—the "pink" (social democrats), the "pink-yellow" (social liberals), the "pink-beige" (moderate social statist), the "red" (socialists), the "crimson" (communists and Trotskyists), the "red-brown" (national socialists), the "red-black" (anarchic syndicalists), the "crimson-black" (communist anarchists), the "red-green" (the Russian Green Party), and the "multicolored" (fascists)—we certainly do not want to forget anyone—we decided to discuss the topic from several vantage points.

We will begin with a discussion of the main contenders for the role of the Russian "democratic left"—the "pinks" and their "pinkish" derivatives.

Nothing "pink," judging by our past experience, has ever managed to gain widespread popularity in Russia, and it can only set its sights either on "East European examples" or on a new wave of mass strikes with political overtones. The individuals and groups anticipating the "automatic" rise of the "left" in our country are increasing in numbers as the actual chances of this are dwindling. There are almost no vacant niches left in the Russian political market, however, and the competition for them has been particularly intense in recent months. After all, this is essentially the last chance of political advancement for all of the outsiders who joined the race at the start of "catastroyka" and have stubbornly refused to drop out of the running. The organizations and individuals involved in this process have broken all records for peculiarity! It is just like a waxworks exhibition....

On the other hand, this is also a gathering place for the highest numbers of genuine idealists without any official affiliations (even today, in the middle of 1994, there are

several thousand activists of perhaps the highest caliber in Russia), whose moral scruples and beliefs kept them from getting too involved in the scuffle for resources in 1991-1993 and who are hoping for a surge of activity by the laboring public, and not simply for the possible credentials offered by new elections. For these people, the loss of their banner would mean the loss of everything and would make any further political involvement meaningless. This is the reason for all of the emotional outbursts, intrigue, and competition.

From the organizational standpoint, the disposition of forces in the "pink" field up to a few months ago was almost identical to the pattern that took shape in fall 1991.

Social Democratic Party of Russia (SDPR)

The oldest (founded in the beginning of May 1990) player on the "pink" field, but not the biggest, is the SDPR, which has retained its nucleus of several thousand members and several hundred activists since the early days of registration. At the beginning of 1991 I called this organization "an effective model of a party on a scale of 1:10," and in the years since then it has not grown beyond the size of an experimental model which cannot be reproduced on a broader scale. The primary organizations still exist in more than 50 regions, and those in about 10 regions have some influence (i.e., they were able to nominate a candidate for deputy on 12 December or in local elections) and they put two of their candidates in the Duma (Lukashev in Volgograd on the district ticket and the present chairman of the party, Golov, on the ticket of the YaBI. [Yavlinskiy-Boldyrev-Lukin] bloc) and around 10 others in local elected offices. They did not sign the "Treaty on Accord" in April 1994. The SDPR has held five congresses (the last in May 1993), and now the leadership and the intra-party opposition are at work raising funds for a sixth congress to decide "who's who."

'Free Russia' People's Party (NPSR)—Russian Social Democratic People's Party (RSDNP)

The NPSR (which was known as the Democratic Party of Russia's Communists before the constituent congress of fall 1991) changed its name again to the RSDNP at its second congress this May. This splinter group of the CPSU was a result of the synthesis of the "Communists for Democracy" parliamentary faction of Rutskoy's time (supporting Yeltsin and dissociating itself from Gorbachev and Polozkov) with the yes-men of the CPSU Democratic Platform who stayed in the party, with Lipitskiy as their leader, after the 28th Congress. Some of these people believe (I do not know whether this is a result of delusions of grandeur or of amnesia) that the contemporary history of the Russian social democrats began precisely at that moment. Judging by B. Mironov's article in NEZAVISIMAYA GAZETA, all of our social democrats came from the CPSU. Actually, when tens of thousands of people joined this movement in the heat of

the moment in fall 1991, they were not social democrats at all (most of the democratic socialists joined the Socialist Labor Party). These were moderate social-nationalists who felt it was more convenient, after the dissolution of the CPSU, to apply for membership in the second-ranking—after Demrossiya—"semi-ruling" party than to remain unaffiliated. This organization never had a history of its own and always acted as part of a larger coalition (the DDR [Movement for Democratic Reform] of the Shevardnadze-Yakovlev period at first, the GS [Civic Union] in 1992 and 1993, and no definite coalition at this time, but the members are certain to go along with whatever agreement Rutskoy and Lipitskiy make with all the rest).

Socialist Labor Party (SPT)

The SPT is another splinter group of the CPSU, and it also had tens of thousands of members at first. The SPT held its second congress after the restoration congress of the CP RF (Communist Party of the Russian Federation) in spring 1993 and its third congress in spring this year. Whereas the members of the NPSR were predominantly civil servants and social scientists who were seeking office and had great expectations (because of Rutskoy's presence) of becoming the "party in power," the SPT was joined mainly by idealistic social scientists whose wish for political autonomy in the form of democratic socialism was awakened by "Gorbostroyka." In the December 1993 elections, the SPT had even less luck than the two other "social democratic" parties: Whereas the SDPR had spent the whole year of 1993 in a state of paralysis as a result of the split between the anti-Yeltsin and pro-Yeltsin wings and could not afford a campaign of its own, and the NPSK was operating under a "semi-ban" starting in October and did not take part in the Civic Union's campaign fiasco (Lipitskiy's election to the Duma in Novosibirsk was good enough), the SPT wanted to advance its own ticket through the Fatherland bloc but could not collect the 100,000 signatures needed for registration.

Rogozin's nationalists and Cossacks turned out to be unreliable allies—not in the ideological sense, but purely in the organizational sense—and the "leftists" (the social democrats united in the SDPR, the Labor Party Organizing Committee, and the New Left Party) decided not to join this campaign as a matter of principle. It is quite indicative, however, that covert collaboration with Skokov turned out to be more important to the "pink and beige bloc" (as the Fatherland bloc was labeled) than ideological considerations.

Some deputies from the SPT in both houses won their seats on district tickets. Neither this fact nor the next congress changed the situation, however, and the SPT is still the most colorless of the "pink" parties: It does not have a vibrant leader with maximalist ambitions (like Rutskoy) or a master in the art of political intrigue (like Lipitskiy) and a permanent staff collecting regular wages on the one hand, and it does not have a backbone of

non-bureaucratic "leftists" accustomed to working for years autonomously, without pay, on the other. **No organization can start working without a synthesis of these two "halves"!**

Beside this, there are constant, almost inexplicable deviations from the party line in the SPT: First the New Left Party was asked to join the SPT as a "collective member" and was even promised that the SPT would consider changing its own name, but then someone suddenly discovered—on the level of party Chairman Vartazarova—that this was against the charter.

Labor Party (PT) Organizing Committee

A complete list of the members of the "seller's market" would have to include the still unregistered Labor Party.

Since August 1991 its organizing committee has been in the same position as the country in Korzhavin's famous couplet:

"Dear Country of mine, you have been blooming for so many years.

You bloom and you flower, but you never flourish."

From the time of the very first attempts to found the party with resources pledged by the officials of the old trade-union federations (Moscow, St. Petersburg, and central), the leaders of the PT were warned that they would only demolish the old structures (the Socialist Party, the CPSU Marxist Platform, and the Confederation of Anarchic Syndicalists) but would not be able to build anything new. The warnings were appropriate, because the party still has not registered, and largely for reasons connected with its general carelessness. After the labor bosses had put the leaders to work as consultants, press secretaries, editors, and so forth, getting the benefit of these services for peanuts, they had no intention of giving them any more money for autonomous activity.

As a result, the PT became a laboratory for the production of interesting ideas, some of which were stolen from it and implemented in the most incompetent manner by others. Because the PT has no leverage other than intellectual and personal influence, it does not have the power to prevent this kind of plagiarism, but it could stop it—to participate, at the very least.

Why Did None of the Attempts at the 'Social-Democratization' of the SDPR Work?

The average member of this organization joined (this does not apply to the hundred unaffiliated individuals who "answered the first call" or to the dozen members of the illegal groups of Kudyukin or Chernetskiy) on the wave of the liberal anticommunism of the intelligentsia of big cities at the time of perestroika. These people never liked the "doctoral" journalism of the "superintendents of perestroika" and felt that they could compose more penetrating commentaries.

These people had some convictions in the beginning and, taking the liberal-market demagoguery of the well-known "Siamese twin" seriously, they intended to pursue a "policy of responsible interaction." Party members with the right frame of mind to work with the labor movement, however, were few in number.

Because the so-called independent trade-union movement in Russia quickly (almost immediately in the upper echelon in the capital and in the mining regions, and more gradually in other locations) turned into a kind of business, and frequently business of a semi-criminal nature, and its leaders openly kowtowed to Yeltsin and Gaydar, the SDPR "laborist shift" proposed by V. Lifshits, one of the leaders of the St. Petersburg organization, did not, and still does not, have the support of the "laboring public."

After December 1992, some of the active members of the SDPR began thinking more clearly: The "Gaydarizing" roller, which turned the young intellectual into a semi-lumpen and left him with only the prospect of engaging in a criminal business having nothing to do with his professional skills and ideals, contributed to the growth of opposition feelings in the SDPR, which eventually led to an attempt at "social democratization" by part of the provincial membership and the Moscow organization.

Nevertheless, the SDPR is still a social-liberal organization. Part of its provincial aktiv got stuck in Demrossiya, and some of its leaders—Grinchenko in Maritime Kray, for example—left and joined "Russia's Choice."

The "new line" (before the referendum the SDPR leadership passed a resolution—"The Choice Between Plague and Cholera Is No Choice at All"—on Kudyukin's recommendation) has not won any support within the party, particularly now that some of the active members of the party have found fairly good positions in the new administration, mainly in Chubays' agency, with the help of Yu. Khaykin. The "left wing" was more interested in the future of social democracy than in portfolios. As a result, the bloc supporting Rumyantsev (Rutskoy) and "reform" (Demrossiya and Yeltsin) overthrew the leftist-centrist leadership at the congress in May 1993. These leaders, who were instrumental in forming the "United Social Democrats" (OSD) faction, refused to be part of the administrative structure of a party of the "pragmatic type," living according to this principle: Who wants to buy us? Are there any offers?

The leaders of the OSD faction (Averkiyev in Perm, Perfilyev in Nizhny Novgorod, Nikitin in Saratov, and Chernetskiy in Moscow) were not elected to the Duma on district tickets, but the SDPR leadership headed by Golov did not have much success either. Edict No 1400 was supported by the new leadership of the SDPR and condemned by the OSD. All of this was accompanied by the progressive debilitation of the organization as a whole: The OSD accused its opponents of forging the congress election records and of violating the charter. These were unprecedented developments in the SDPR,

but there was no hope of "finishing off" the rival because the organization cannot afford to convene a congress.

The positions of the opposition in the SDPR and the PT Organizing Committee converged after Kudyukin left the Chernomyrdin government, but whereas only the second of these organizations lacked support (human and financial) in the past, both of them lack support now. This is not due to an absence of union activists in Russia. There has been considerable success in this field in some regions (Kaluga, Komsomolsk-on-Amur, Krasnoyarsk, Novgorod, Omsk, Orenburg, and Maritime Kray). The problem is that they have no mass support. This is why the "laborist shift" is still up in the air, even though Golov's position is much weaker than before (his supporters were defeated and had to give up their seats in the organization leadership even in his native city of St. Petersburg).

Under these conditions, the most intriguing ideas can be developed; there are no resources for their implementation anyway. They do not necessarily apply to the laboring public: There are plans for work with the intelligentsia, with the cooperative movement, and with agencies of local self-government, but now all of these sound like relics of the late Soviet era....

Our situation of the **self-dissolution of a single factory** bears absolutely no resemblance to the classic form of Marxist social democracy before 1914, the transitional form that existed during the period between the two world wars and fought so courageously against the dictatorships, the postwar form—which was, in general, the most successful form in all of the 100 years of the movement's history, or the modern Western "society of two-thirds." Furthermore, **no one has proved the hypothesis that social democracy is at all possible in our country.** Wishes are not enough....

In this context, the more vigorous attempts of the "superintendents of perestroyka," especially A.N. Yakovlev, to take over the social-democratic niche can be interpreted in a variety of ways. It suddenly "dawned" on the academician that the social-democratic tradition in Russia, which was supposedly discontinued in 1903, should be revived.

G. Popov was another one who suddenly remembered that he had always been a socialist, and had always been against conciliation and in favor of justice with nationalist overtones. In general, this is a continuation of the strange story of Dr. Jekyll and Mr. Hyde, who had no memory of his own actions. This certainly applies to Latsis' "definitive" article in IZVESTIYA, in which he explained who the social democrats in Russia were and what they had to do. In my opinion, it would be better for the Sotsintern [Socialist International] to issue these credentials, but that organization has said quite distinctly that there are no social democrats in Russia at this time.

If the SDPR (and preferably some others as well, so that there will be a complete set) can be bought cheaply for

this undertaking, it may be accepted by the Sotsintern. Then there will be enough money for the sustenance of every rank-and-file member, and extra pocket money for party leaders traveling abroad. The exact place for this "entity" in the present political spectrum is also clear: under Yavlinskiy, but with leaders with more substantial features.

"Golov's SDPR" simply does not exist as a significant factor as far as Yavlinskiy is concerned: the part of the SDPR affiliated with the OSD will not go in this direction or over to Rutskoy, and their relations with the SPI have also deteriorated. The latter refuses to see the unaffiliated small fry as equal partners, which is understandable for the former minor administrators and professors, and hopes to swallow them up at some time in the future. This means that there will not be any kind of Russian Labor Alliance! What does all of this have to do with the social democrats? In my opinion, nothing at all—not until the Ministry of Truth **conclusively** designates someone (Vartazarova, Volskiy, Lipitskiy, Rutskoy, Skokov, Yavlinskiy, or Yakovlev) as the **chief social democrat in Russia today**.

The SDPR was always an organization without a charismatic leader. Rumyantsev's attempts in spring 1992 to cultivate some kind of social-nationalist hybrid (he has to be given some credit for being two years ahead of the others) and then turn slightly in the direction of not just the opposition stance, but the actual "Rutskoy" stance on the Kuril Islands, the Dniester region, and Bosnia, were not supported by the young liberal intellectual at that time, and neither were his attempts to manipulate the organization to further his own career. The SDPR's relationship with Sotsintern completely ruined Rumyantsev's game plan, and after the fourth congress the party was headed briefly by B. Orlov, a pure theorist of the Western experience. After he failed miserably as an administrator, the party leadership was taken over by more sensible men from the provincial aktiv—Averkiyev from Perm (acting chairman) and Pustovetov from Komsomolsk-on-Amur (executive secretary). Their shift toward the opposition-centrist point of view was secured on the conceptual level, but was not backed up by any resources. The party did not have the strength to influence the regions or policy in the center and plunged deeper into the disagreements over self-dissolution. The attempt to form the RSDTs [Russian Social Democratic Center] (under its auspices) was counterproductive (this strange entity, which never had more than a few hundred members—and even these never gave up their membership in the SDPR—was registered by the Ministry of Justice as a federal movement, but Rumyantsev never gained anything from it personally, with the exception of his acceptance by the corroded Civic Union).

Now that the Great Man has taken a trip to fill the gaps in his knowledge of Great Britain, other individuals want to take charge of the leaderless RSDTs.

The Future of Social-Democratic "Great-Power Policy": or What Is Russian Neo-Populism?

The NPSR-RSDNP (an "r" with whiskers, according to the boorish) was always different. The "Congress of Name-Changers" (there were only five "nay" votes) corroborated this in principle. Now the number of party members has decreased substantially, and there is almost no difference between it and the SDPR. Furthermore, the idealists (Vodolazov and Kapustin), who were more unnerved by Lipitskiy's bureaucratic style than by Rutskoy, left long ago, after the October events (by 22 September, Rutskoy did not have the support of the NPSR leadership). Many others also left the party and joined "Russia's Choice," the DPR [Democratic Party of Russia], "New Russia," the RDDR [Russian Movement for Democratic Reform], and the PRYeS [Russian Unity and Accord Party]—any port in a storm. Meanwhile, some others actually joined this party (the Moscow organization of the DPR, through the GS channel, for example). Some party members even joined the SDPR. The youth organization is strong, and the staff still exists, and this means that the party also exists. It has not lost its prospects either. They are still the same: They hope to make their leader the president of all Russia. All of the talk before the congress about his removal from the office of party chairman turned out to be mistaken at the congress. Most of the delegates opposed Rutskoy's retirement and had only one complaint: He had been so busy with trivial matters that he had neglected his own party. He promised to take this criticism under advisement, but he had no intention of abandoning his plans for the "Nation." In contrast to Lipitskiy, he has no interest in social-democratic laurels.

In general, the rank-and-file members of the RSDNP do **not need** this party without the Great Man, and the social-democratic tone (particularly in this patriotic rendition) is just another of the trappings concealing the elementary wish to take over. The outer wrapper is meaningless, however, regardless of what a group of completely unknown theorists may have written in the party platform.

During the campaign of the RSDNP—if there is one—Rutskoy probably will not put any emphasis on reformism: He sees the removal of the present regime by non-violent means as the height of reformism and social cooperation. This may be commendable, but it is awkward.... Now that the RSDTs project is an open secret, the RSDNP would be lucky to have a single kopeck to its name after the congress. Rumyantsev is busy making speeches in London, and the biggest problem of the PT and OSD leaders is the lack of money to convene the active membership in Moscow; it is time for the bidding to start. Soon we will see what this RSDTs can do. Some people suspect that Lipitskiy's project is being funded by the same source (the Sotsintern) as Yakovlev's, but no one is talking.

There is absolutely nothing new in the move from internationalism to social-nationalism and from the idea

of the extinction of the state through dictatorship by the proletariat to the priority of government regulation by the party of the parliamentary majority for social democracy, and that is why I have always been amused by B. Orlov's assaults on Rumyantsev's "imperial manner." Since 1914, everyone—with the exception of Grandfather Lenin's devotees—has been doing this with intermittent success. The fact that neither this nor the acceptance of the "mixed economy" (Ilyich himself accepted the multi-structured economy) can turn Rumyantsev, Rutskoy, and Zyuganov into social democrats is a different matter. What does this motley crew represent?

The most convincing answer to this question was provided by V. Akimov, an analyst from the Federation of Independent Russian Trade Unions: **This is Russian neo-populism**, running the whole gamut from the liberal Christian democrats (Rumyantsev) to Blankism and Nechayevism, and stopping short—thankfully—of a new "People's Will" movement (we do not want to take any names in vain).

This is understandable: The country has no labor movement (the author of this article proved in 1991, with the help of O. Grigoryev and V. Lepekhin, that Russia had no working class per se and would not have one in the foreseeable future, but it did have a working-class intelligentsia—not all of whom were "leftists." Furthermore, its numbers and caliber were highly impressive by world standards, although its ideas and actions have traditionally been disparate: It is predestined to await the fall of the "decadent regime" under the pressure of the "awakened Russians." This spontaneous **practice of anarchy, paradoxically supplemented by aggressively statist ideas and slogans**, has foreordained the "leftist" intellectuals' use of "partisan" tactics for each fleeting cause without posing the slightest threat to the ruling elite as a stratum, although it does threaten specific individuals.

The FNS took this tendency to the extreme in its "leftist-rightist" platform (with the **completely populist rejection of dependent capitalism** as the common denominator).

Now it is not only the idle who talk about the social purpose of the reforms, justice with solidarity, and "our pride—the Russian nation": Judging by their own statements, the most hard-boiled social democrats in Russia today are our "democratically elected" president and mayors. These members of the "opposition," however, are doing nothing to organize the masses (even if only on the level of trade unions) and to protect their vital interests, which is what the **real social democrats** all over the world have always done. Furthermore, our pseudo-liberals are not doing this either. From the standpoint of campaign propaganda, this looks pathetic—at least in comparison with Zhirinovskiy. Even he does not need the rank-and-file members of his party to do anything but study their leader's speeches and spread stories about him (all joking aside, this is one area of party work in the LDPR [Liberal Democratic Party of Russia]).

The biggest "leftist" party—the CP RF—can only hold the interest of its supporters with rallies on the "red days of the calendar" or with elections, the dates and conditions of which are beyond its control. Within the "no surrender of memories party," there have been "serious" debates on this topic: Is it time to become social democratic? And these discussions are conducted on the level of Shchedrin's "What should the gender of witches be in the revised fairy tales?" The CP RF still has no informational or organizational links in the neo-populist "opposition" conglomerate. Everything depends on the temporarily coinciding emotional moods of their leaders and some of their activists.

The question of which stratum and objective development trends should be relied upon is a typical Marxist heresy to the neo-populists, and that is why they do not listen to Akimov and Kurginyan, with their talk about the "interests" of this group. As far as the promises to re-create the situation that existed before 1985 (to restore the USSR, for example) are concerned, today there is no more basis for these hopes than the hope that the citizen who fell out of a window from more than 10 floors up will heal, even if his party comrades carry him on their shoulders to the executive office on a wave of public indignation. Within the context of this philosophy, there is no possible action other than "appealing to the people" for the purpose of exposing the ruling evil, organizing "insurrectionist activity," establishing contact with criminal elements according to the Bakunin line of action, practicing the Tkachev brand of collusion (primarily military, but possibly also in combination with terrorist acts), and enlightening the moderate wing. Of course, the "leftists" also have other amusements in reserve, such as the possibilities afforded by the parliamentary rostrum, the election of the tsar by direct ballot, and others.

Can the 'Pinks' Take Over the Government?

This is all that is "leftist"—in the form of the ideological product of a group of theorists and in the form of an actually existing movement—in Russia today. As for the "accord of the discordant," it is difficult not to agree with Akimov that these coalitions, despite all of their claims to opposition status, pose no significant threat to the government—other than the president and his closest advisers. All sensible people realized long ago that even if Rutskoy had seized the Kremlin on 3 October, his actual policies, not to mention his slogans, would have differed little from the present ones, whatever he (and others) may have imagined.

We wonder, incidentally, why no one from the "left" in Russia has **demand[ed] the publication of a complete list of the victims**. This is a minor detail in the description of our "left," but it is an extremely indicative one. Other than the efforts of Buzgalin and Kolganov from the PT (and their friends), nothing has been done in this area.

Could the "left" win a victory in Russia in the foreseeable future? There is no question that many things are

possible in the development of the present regime, but the Lithuanian-Polish-Hungarian (and possibly Slovakian and Bulgarian) experiments with postcommunist quasi-social democracy, leading to a more professional and paternalistic variety of dependent national-state capitalism after the second set of elections, are **outside the realm of possibility** in Russia.

Countries with few resources have such trivia as the national consensus, **at least with regard to the preservation of independence and territorial integrity**. The victors have no intention of prosecuting the vanquished as thieves and criminals, and the vanquished have no plans to use tanks in the "constitutional reform" of parliament. **To put it in the simplest terms, they already have a working government.** The Serbian variety of national-state construction by means of postcommunist and neo-Orthodox consolidation looks quite tempting to the aggressive wing of our neo-populists, but, as the saying goes, may God save Russia from that kind of good luck....

Does this mean that all of the social-democratic undertakings are futile in present-day Russia? From the standpoint of a person committed to the "leftist" world culture and domestic traditions, the answer is an unequivocal **yes. This is either a rapacious imitation or a case of honest self-deception.**

Are there any prospects at all for the "leftists" who do not subscribe to the national-state variety of social populism, the "leftist" character of which is extremely dubious in view of the experience of Bolshevism, Peronism, and so forth? Obviously, the answer is **yes**, but this discussion pertains not to plans ("what should be"), but to "what is," even if it is not too optimistic.

Copying the experience of "Solidarity" will not work, and although I feel that the efforts of some of the individuals engaged in this activity today are intriguing, the repetition of this anti-totalitarian amalgam, uniting workers with the intelligentsia, and combining self-governing collectivism with populist national-Catholicism, on the basis of the anti-Communist and anti-Russian consensus of the majority of the population, would be tantamount to the **construction of effective neo-populism in our country.**

Commentary on Yeltsin Social Accord Implementation Edict

944F0972A Moscow NEZAVISIMAYA GAZETA
in Russian 7 Jul 94 p 2

[Article by Anna Ostapchuk: "Public Chamber as an Instrument of Boris Yeltsin. President's Second Attempt To Realize His Dream"]

[Text] More than two months have elapsed already since the day the Social Accord Treaty was signed. And there has not been one serious political or social cataclysm in this time. So the 28 April gambit should be considered successful, it would seem. But the presidential edict "On

Measures for Realization of the Social Accord Treaty" appeared on 9 June. The name itself appears paradoxical: If one High Contracting Party intends implementing special measures in realization of the arrangement of the other Party, this means that either the arrangement was not voluntary or the Party is exceeding its authority or... (make your own list). Nor was it anticipated originally, as far as we may assume, that one Party would be acting the part of debtor, the other, that of creditor. Neither owes the other anything other than civil peace.

So what kind of "mediators" for a settlement of contentious points is the president proposing? First, the edict creates a Conciliation Commission (headed by Sergey Filatov, the dispassionate leader of the Office of the President), second, some control functions are entrusted to the Public Chamber under the president of the Russian Federation. An analysis of the progress of compliance with the Social Accord Treaty and the formulation of recommendations for its realization are required of the latter. There is nothing special about this. There would not be, were the Public Chamber to exist as a real, not virtual, object.

This structure is in fact Boris Yeltsin's second attempt to realize his dream of being on good terms with parliament. The first was embodied in the Constitutional Conference (there is continuity, of course). In other words, the president is perfectly prepared for a constructive dialogue with the legislature, and it is only its unconstructive approach and its viewpoint, differing from that of the president, on whatever topic that is getting in the way. It is no wonder, therefore, that the idea of the creation, if only "in vitro," of some quasi-parliament that would enable the president to embody his dream arises periodically.

The Public Chamber appeared shortly after the newly elected December parliament had begun to function. The president's directive on its creation is dated 16 February 1994. And its actual appearance was inspired, as everyone will recall, by Anatoliy Sobchak and Gavriil Popov, who had failed to surmount the 5 percent plank of the Russian Democratic Reform Movement [as published]. Both the politicians and the president, seemingly, had thus achieved their goals: the first, of a certain participation in power, the second, the possibility of winning the "support of the public." But this caused a shock in society: The fresh, legitimate parliament had only just set to work, and an alternative structure was already being formed. And, as the talk was at that time, in order to replace the Federal Assembly if it proved insufficiently loyal to the presidency. Some "canned goods" in the event of a new Special Order of National Rule or state of emergency.

Let us now look at this from the other side. There are in various countries, and not only in a "transitional period" but today also, structures enabling the supreme authority to "feed off the public mood" and cultivate an objective

vision of reality. There are consultative councils under both parliaments and presidents. These are a kind of meeting place, where the powers that be come into contact with representatives of parties, professional corporations, and research centers and foundations. In mobile and troubled times like ours, such a body could be a "crucible" of the formation of a new establishment and new public institutions of the civil society. But for all these interlocations to have meaning and not be an idle waste of public money, two demands must be made of such a body: independence (why should the president not communicate with the opposition?) and a representative character.

That is, it is a good idea in itself. But how far, for example, does our Public Chamber correspond to these criteria? The composition of the council of the chamber deserves to have all its members mentioned by name. But let us confine ourselves to two points. From the corporate panels there is under the global heading of "Religious Creeds" the name of one Vladimir Ryakhovskiy representing the International Religious Freedom Association (!). From the "opposition" edge of the spectrum, as it is seen in the mirror of the council of the Public Chamber, are two persons, both the most moderate centrists—Arkadiy Volskiy, president of the Russian Union of Industrialists and Entrepreneurs (his political career is already over, by all accounts), and Gennadiy Sklyar, a leader of the Socialist Workers Party. We obviously have no political organizations of a more opposition cast, evidently.

But what is most surprising is that even in this small circle, the president has not managed to win unanimous support. When the versions of the treaty were being discussed, for example, the chamber supported merely the idea of such, refusing to approve the text drawn up by the president's analysts. And after its chairman, Boris Toporin, director of the Institute of State and Law, signed the treaty on behalf of the Public Chamber on 28 April, several members of the council, specifically Marina Salye (Free Democratic Party of Russia), Vladimir Filin (Russian Social Liberal Party), and Konstantin Borovoy (Economic Freedom Party), signed a statement in which they contested Toporin's right to append so ponderable an autograph.

All that notwithstanding, account should be taken when speaking of the Public Chamber of its total dependence on the Office of the President. First, the council of the Public Chamber meets in Staraya Ploshchad, and the chamber itself, in the Kremlin. Second, it is the staff of the Office of the President that are to send out telegrams with invitations to a session of the chamber, pay travel expenses, and perform sundry organizational work.

So it would be very easy for the president to close down this entirely ephemeral "stall" overnight, simply having "forgotten" that it is time it were allocated premises....

It has to be acknowledged that Yeltsin has once again suffered a fiasco with regard to the "good parliament."

His supporters who did not become members of the legislative body obtained merely the illusion of participation in the "sovereign's affairs," despite the fact that many of them were, properly understood, hoping for an independent political game within the framework of the chamber. And the president obtained only a temporary illusion of public support.

Nonetheless, that same edict of 9 June contains one perfectly constructive point. Namely, the suggestion that the chamber be enlarged by all who signed the Social Accord Treaty. This is reassuring. But for the chamber to begin to function, for all that, it should form such working bodies as are able to assume all the organizational efforts, and the chairman of the chamber should seek if only a minimum of independent funding here. Its muster roll must be open. Indeed, as Gennadiy Sklyar observed perfectly reasonably in a conversation with your NEZAVISIMAYA GAZETA correspondent, "it is essential that we have a room where we can discuss most important problems that go, for all that, beyond the framework of the legislative process."

Follow-Up to State Duma Election Investigation Reported

944F0975A Moscow OBSHCAYA GAZETA
in Russian No 27, 8 Jul 94 p 8

[Article by Oleg Zhirnov, under the rubric "A Company Secret": "Are the Moths Being Drawn to the Fire?"]

[Text] **The main documents related to the 12 December elections already are destroyed. But the parliamentary commission continues to check the allegations of falsification of the election results.**

The Central Electoral Commission's [CEC] leadership told Viktor Zorkaltsev, chairman of the State Duma committee on public organizations and religious associations' affairs, that "the primary documentation regarding last year's 12 December elections and referendum already had been destroyed (with the exception of the Amur Kray documentation) in keeping with the internal, unpublished directive of the central executive committee, which set the retention period at four months. This was the first result of the Duma investigation following A. Sobyenin's reports on alleged falsifications in the course of elections and the referendum.

The Duma got into the investigation reluctantly and after long procrastination. The pragmatic speaker at first also managed to avoid setting up a parliamentary commission on the investigation of Sobyenin's "discoveries" and putting this problem on the agenda of the lower chamber's meetings. Afterward, however, they got bogged down in this business. After member of the KPRF [Communist Party of the Russian Federation] faction Anatoliy Gordeyev spoke up in May, the issue was placed under the jurisdiction of the credentials commission. And after Zhirinovskiyite Sergey Churkin's speech in June—also under the jurisdiction of Zorkaltsev's committee.

Currently Zorkaltsev's committee is carefully checking the veracity of various versions: Is it right, for instance, to use the methodology on which Aleksandr Sobyenin based his calculations; could the U.S. CIA figure out through electronic intelligence means that more than 9 million election ballots were falsified in Russia in the course of December elections; and so on. But Viktor Ilyich also told the OBSHCHAYA GAZETA commentator that research is being conducted "on the local level."

Technically, destruction of election ballots seemingly should not present an unsurmountable obstacle: It is important for the investigation to have protocols of electoral commissions, and, even more importantly, voter lists with the passport data and signatures. One can judge about falsification just by looking whether these signatures are in the same handwriting, etc. These documents must be retained for a year as a minimum.

Now the question: What if?

Democratic camp deputies (both the stalwart supporters of the president's course and those who harshly criticize him) have an equally skeptical attitude toward the investigation, believing that "the train has left the station"—even if "someone did steal the chickens." No matter that everything is not adopted and nothing is elected—it is impossible to prove anything now. But "the drowning grasp at straws," and the communist opposition, seeing that the specter of cataclysms, hunger riots, etc. that they try to scare the man on the street with finds increasingly less response among the broad public, is unable to resolutely discard the tempting possibility to create such a cataclysm, a political "explosion" with their own hands. Whether it is accidental or not, both Duma structures involved in the investigation of the problem are headed by members of the opposition. Zorkaltsev is a member of the KPRF faction, as well as the credentials commission chairman Vitaliy Sevastyanov and his deputy Oleg Shenkarev. Moreover, as the OBSHCHAYA GAZETA commentator has learned, the opposition undertook a dramatic attempt to strengthen its control over the investigation. Democrat deputies were practically removed from participating in the credentials commission's working group under the pretext that members of the Russia's Choice and Yabloko factions allegedly had been "elected to the parliament on foreign money." One communist deputy shared with the OBSHCHAYA GAZETA commentator a secret: The opposition considers the matter of Sobyenin's disclosures so important that it does not discuss it in the Communist Party faction's room in the Duma for fear of listening devices.

The communists hope that they will be able to make the explosion "directional"—against their political opponents—and channel it into their "restoration strategy." Oleg Mironov, chief legal counsel of the KPRF faction and the faction's candidate for a Constitutional Court justice, who is also a supporter of "seeing the investigation to the end," outlined for the OBSHCHAYA

GAZETA commentator one of the possible scenarios for development of events in this case. We need to separate the elections and the adoption of the Constitution, he said: "The Duma got a mandate from the people and may function regardless of everything. But if we declare that the Constitution has not passed, then the old Constitution remains in force. Then we have to bring together the deputies of the old Supreme Soviet and Duma deputies and create a Constituent Assembly."

Those who keep their finger on the pulse of Duma investigation at this point hesitate. "I have not yet arrived at a final conclusion; I have not decided for myself whether it is yes or no," says Viktor Zorkaltsev.

One can predict with a great deal of certainty, however, what will happen if the communists do give in to temptation and not only see the investigation through but also prove the seemingly unprovable: both that the Constitution was not adopted and that the wrong people were elected. There will, of course, be an "explosion," but stronger and more experienced hands will channel it in the opposite direction. For the president, this will be an excellent pretext to impose a state of emergency and finish off the Duma, which turned out only partially "tamed."

Anticipating such a development of events, "sensible communists" by no means rejoice at the fact that the questionable luck to hold in their hands the key to the investigation was dropped into their lap. They pontificate on the "burden of responsibility for the state," on "the fate of Russia"—and procrastinate in every possible way in reaching a conclusion on the subject of Sobyenin's discoveries. All "one-week" and other deadlines, publicly given to the committee and the commission, have long passed.

Actually, it looks like the "strong side" showed some magnanimity and extended a helping hand to Duma "investigators." The fact of the document destruction by the central executive committee may, after all, be interpreted also as a gesture of "dividing the responsibility": All right, guys, they seem to say, blame it all on us—we will live with it. As a result, there is an opportunity to end the Duma investigation with general conclusions on "shortages and spillage" of the initial data and blame it on the "CEC mice."

Duma Discussion on State Service Draft Law Reported

944F1021B Moscow MOSKOVSKIYE NOVOSTI
in Russian No 25. 19-26 Jun 94 p 6

[Article by Ye. Pestrukina: "The Official and the Law"]

[Text] The draft law on principles of state service in the Russian Federation was discussed at the Duma.

Work on the draft law commenced two years ago. It underwent its first reading in the Supreme Council in September and was introduced for a second reading.

The law regulates activity of professional civil servants at the federal and regional level. It does not apply to deputies at any level, to judges, hired employees of state enterprises, or to individuals occupying political state positions connected with elections.

As Vladimir Yuzhakov, "curator" of the draft law, explained, the positions of the president, ministers, and heads of administration (those who are elected) are considered to be political positions. Ministers come in together with the premier and the president. In a coalition government the distribution of ministerial portfolios is possible according to party affiliation. Consequently those qualification standards and principles of job assignment that are incorporated in the draft for professional officials cannot be applied to the ministers. A minister does not need to have the educational profile suitable to his post or any experience working in the state system—he can be someone from the outside. The system of labor contracts also is barely applicable to ministers. The position of deputy minister is not considered a political one, but this law does not apply to them, either. The activity of ministers and their deputies will be regulated by the law on government.

Yuzhakov believes that the draft law must provide a legal basis for the formation of a new strata—officials whose principal assets and sources of livelihood are their career and not wages as with ordinary hired workers or profit as in the case of entrepreneurs. Officials will be taking an oath and uniforms may be introduced for them. By contrast with military service, however, civil service will be more liberal with open competition for vacancies, the opportunity to take a voluntary leave of absence, etc.

Many of those attending hearings pointed out that the document is more reminiscent of a law on social security and benefits for civil servants rather than a law on state service and the obligations of its workers. The draft law repeats a formula found by the Supreme Council. It provides for the creation of a federal civil service commission, whose statute is adopted by the president in coordination with the State Duma. In reality, however, there are two parallel structures—the Federal State Service Directorate of the administration and the State Service Administration of the government. So far, each is working only with its own "contingent." It is known that the government nurtured plans for the creation of a separate ministry of state service which, for understandable reasons, did not receive the support of the presidential entourage. Neither side is willing to give up such powerful levers of influence voluntarily.

Within the context of the question of "whose state apparatus is it?" there are some separate but important secondary political issues, capable of delaying adoption of the law for a long time. For instance, the draft stipulates that the skill requirements of the highest officials will be set by the president, which, in the opinion of many, expands the president's mandate

beyond constitutional provisions. Not everything is clear about the so-called "ancillary layer" of state officials who work in direct contact with "political" appointees: the chief of a minister's office, his consultants and secretaries. As a rule the minister comes with his own team. What happens to the former staff?

It was decided to create a general commission out of representatives of all interested parties—the presidential administration, the government apparatus, and the parliament. It will be introduced at the parliament for the first reading at best by the end of July.

Laws on Local Self-Government Not Being Implemented

944F1021A Moscow MOSKOVSKIYE NOVOSTI
in Russian No 25, 19-26 Jun 94 p 6

[Interview with A. Sliva, chairman of Duma Committee on Local Self-Government, by T. Skorobogatko; place and date not given: "A Long Uphill Road"]

[Text] The Duma once again focused its attention on the issue of local government. The recently adopted decree is designed to ensure the "constitutional right of the population to have local self-government." Why was parliamentary intervention required? That is the topic of a conversation between our correspondent and Anatoliy Sliva, chairman of the Duma Committee on Local Self-Government.

[Skorobogatko] What was the fate of two February Duma decrees pertaining to local self-government?

[Sliva] They have not been fulfilled. In particular, many enforceable acts have not been brought in line with the constitution, including federal ones and those adopted by subjects of the Federation. The population of many rayon centers was deprived of the right to local self-government. Very often the functions of representative power are performed by the head of the local administration, who is appointed from above, or by organs also composed of appointees. Organs of local self-government are deprived of the opportunity of independently managing city property or forming the local budget. In most of the territories there are no electoral organs at all.

In February the Duma sent an appeal to the president. As a result he then issued a special edict directing his administration to bring all enforceable acts in line with the constitution within one month. Three months have passed and it still has not done so.

[Skorobogatko] The Duma has reviewed this matter and adopted another decree. What is next?

[Sliva] A law on the universality of local self-government is imminent. We are counting on that law to be an intermediate step. It was important for the Duma to put on record its principled position. I believe it is time for the president to define his position with regard to local

self-government, perhaps issue a statement that he supports its reform and is prepared to assume leadership in this difficult undertaking.

Reform of local self-government, of course, is a long-term and a difficult project. In Sweden, for instance, it took about 20 years. It is like a long uphill road. But it is necessary to take the first step along that road.

[Skorobogatko] What more can the president do except voice his attitude regarding that issue?

[Sliva] First of all, he could instruct the procurator's office to initiate action in cases involving violation of the constitution. Then, the president could halt actions by heads of krais and oblasts that violate the constitution. In addition the president could find out from his staff why there are still no draft edicts concerning the repeal or correction of his own edicts on local self-government.

Also, while the Constitutional Court is idle, an authoritative determination of cases involving violations of the constitution is necessary. Just that single measure is capable of sobering some tipsy heads in the executive power structures who have the false notion of being monopolists.

[Skorobogatko] What brought about resistance to attempts to create local representative power?

[Sliva] After local self-government gets on its feet, it will be necessary to split power, property, and finances between state and local levels. Then it will be impossible to privatize city property either from Moscow or the oblast center. It will be impossible to keep the rayon center, which has its own budget, on a short leash, either granting or not granting money.

I do not believe that there is any threat of excessive democratization anytime in the near future that would require intensification of state power. So far, as unfortunate as it is, Russia, even from a formal viewpoint, is one of the most undemocratic countries in the world. For every 100,000 of population we have the fewest popularly elected representatives. Without democracy at the local level, however, it will hardly be possible to achieve any democracy at all.

Changes in Attitude Towards West, NATO Polled

944F1037A Moscow MOSKOVSKIY KOMSOMOLET'S
in Russian 2 Jul 94 p 1

[Article by Yelena Korotkova: "The EEC Is Kinder to Us Than NATO Is: It Is Better To Take Businessmen as Partners Rather Than the Military"]

[Text] For almost 10 years we have managed happily without such previously accepted concepts as the "iron curtain," "cold war" and "capitalist camp." The Mneniye Service has tried to find out whether our society has taken its final leave of the "shape of the enemy" or continues to live in a world of ghosts through inertia—the more so since new chances have appeared in Russia for a closer rapprochement with the former "bugbear"—the West. First, there is the possibility of entry into the Europe Community. Second, there is joining the NATO Partnership for Peace program.

A survey was conducted at the request of the International Fund for Social Research imeni Pol Lazarfeld. A total of 3,535 respondents in 30 regions of the Russian Federation (190 population centers) were surveyed.

What state could present a threat to our country's security?

	Threatens	Could threaten	Does not threaten	Do not know
United States	11.6	27.6	37.3	23.1
Japan	10.7	31.7	33.4	24.1
China	8.1	28.2	38.6	25.1
Iran	5.1	21.1	42.4	31.4
Germany	3.7	20.1	51.4	24.8
Ukraine	2.6	12.9	65.4	18.4
Poland	0.7	6.5	70.2	22.5
Belarus	0.7	3.5	79.3	16.6

Do you think military production in Russia must be ...

Supported at the present level	37.0
Increased	17.8
Reduced	19.3
Difficult to answer	25.9

This report contains information which is or may be copyrighted in a number of countries. Therefore, copying and/or further dissemination of the report is expressly prohibited without obtaining the permission of the copyright owner(s).

What do you think of the following proposal: Completely eliminate all nuclear weapons unilaterally and declare Russia a nuclear free zone?

	1991	1994
Completely support	18.8	10.3
Basically support	17.4	13.7
Difficult to answer	20.1	22.6
Basically against	23.3	30.0
Categorically against	20.4	23.4

If Russia becomes a full member of the European Community, you would be ...

Completely in favor of this	25.9
Rather in favor	32.9
Rather against	4.0
Categorically against	1.6
Do not know	29.3

Is it necessary or not for Russia to , in NATO?

	January	April	June
Necessary	30.3	27.8	29.6
Not necessary	27.7	33.2	20.6
It will not accept us	6.1	3.7	6.5
Do not know	35.9	35.3	43.3

As you see, our poor heads are still not completely free of socialist fears: In accordance with a conditioned reflex, the United States as before heads the list of potential "enemies" (11.6%). On the other hand, the majority nevertheless does not think that any country can present a real threat at this time. However, that same majority does not dare to reject nuclear weapons completely and wishes to have them under its control—just in case.

It follows from the survey that our fellow citizens are more interested in economic cooperation with the West than military cooperation. That is why an absolute majority of the respondents regard Russia's entry into the European Community positively but regard entry into NATO with distrust. At the same time, an absolute majority thinks that Russia should join NATO's Partnership for Peace program (45.6%). It is not worthwhile for those, who are beginning to stamp their feet and become hysterical over the total "selling of the motherland" and the general collapse of morals, to worry. Regarding the patriotism of our citizens, all is well: In the event of a military threat, 62.5

of those surveyed are prepared to defend their native country with might and main. In sum, the following picture appears. We are not aggressive but we are not too trusting. The previous myths still rein over our minds but there are just a little left. On the other hand, new ones are arising in their place....

Yelena Korotkova, processed the material presented by the Mneniye service (G. Pashkov is the director).

REGIONAL AFFAIRS

Committee To Draft Treaties on Local Federal Powers Created

Text of Edict

944F1072A Moscow ROSSIYSKAYA GAZETA
in Russian 23 Jul 94 p 8

[Edict: "Edict of the President of the Russian Federation, entitled 'The Formation of the Commission, under the President of the Russian Federation, for Preparing Treaties Delimiting the Objects of Jurisdiction and Powers Among the Federal Agencies of State Authority and the Agencies of State Authority of Subjects of the Russian Federation'"]

[Text] For purposes of implementing the constitutional principles of the federative structure of the Russian Federation and guaranteeing interaction and coordination when preparing treaties delimiting the objects of jurisdiction and powers among the federal agencies of state authority and the agencies of state authority of subjects of the Russian Federation, I decree:

1. To form the Commission, under the President of the Russian Federation, For Preparing Treaties Delimiting the Objects of Jurisdiction and Powers Among the Federal Agencies of State Authority and the Agencies of State Authority of Subjects of the Russian Federation.
2. To approve the appended Statute Governing the Commission, under the President of the Russian Federation, for Preparing Treaties Delimiting the Objects of Jurisdiction and Powers Among the Federal Agencies of

This report contains information which is or may be copyrighted in a number of countries. Therefore, copying and/or further dissemination of the report is expressly prohibited without obtaining the permission of the copyright owner(s).

State Authority and the Agencies of State Authority of the Subjects of the Russian Federation, and its makeup.

3. To entrust the technical-organizational support of the work of the Commission that has been formed by this Edict to the Administration of the President of the Russian Federation.

4. This Edict goes into effect as of the day of its promulgation.

[Signed] B. Yeltsin, president of the Russian Federation
Moscow, the Kremlin
20 July 1994
No. 1499

Text of Statute

944F1072B Moscow ROSSIYSKAYA GAZETA
in Russian 23 Jul 94 p 8

[Statute Governing the Commission, Under the President of the Russian Federation, for Preparing Treaties Delimiting the Objects of Jurisdiction and Powers Among the Federal Agencies of State Authority and the Agencies of State Authority of the Subjects of the Russian Federation]

1. The Commission, Under the President of the Russian Federation, For Preparing Treaties Delimiting the Objects of Jurisdiction and Powers Among the Federal Agencies of State Authority and the Agencies of State Authority of the Subjects of the Russian Federation (hereinafter referred to as the Commission) is a consultative agency that carries out the preliminary review of questions pertaining to the delimitation of objects of jurisdiction and powers among the federal agencies of state authority and the agencies of state authorities of subjects of the Russian Federation, and the submission to the President of the Russian Federation of recommendations pertaining to those questions in conformity with the competency established by this Statute.

2. The Commission in its work is guided by the Constitution of the Russian Federation, the laws of the Russian Federation, edicts and directives of the President of the Russian Federation, and decrees and directives of the Government of the Russian Federation, as well as this Statute

3. The basic tasks of the Commission are:

- the review of questions and the preparation of recommendations for the President of the Russian Federation for the legal support of the treaties and normative acts being developed, which pertain to the delimitation of the objects of jurisdiction and powers among the federal agencies of state authority and the agencies of state authority of subjects of the Russian Federation;
- the interaction between the federal agencies of state authority and the agencies of state authority of subjects of the Russian Federation with regard to questions of developing drafts of legislative acts and other

normative documents concerning the delimitation of objects of jurisdiction and powers among the federal agencies of state authority and the agencies of state authority of subjects of the Russian Federation;

- the organizing and conducting of expert evaluation of drafts of treaties and normative acts pertaining to the delimitation of objects of jurisdiction and powers among the federal agencies of state authority and the agencies of state authority of subjects of the Russian Federation. The preparation of findings with regard to those drafts and the submission of them to the President of the Russian Federation;
 - the coordination of the activities of the federal agencies of executive authority and the agencies of the executive authority of subjects of the Russian Federation with regard to questions linked with the conclusion of agreements concerning the transferral to one another of part of their powers in the appropriate spheres of jurisdiction of those agencies of the executive authority;
 - the development of recommendations concerning the monitoring of the observance by the corresponding sides of the pledges taken, which have been stipulated by the concluded treaties and agreements with regard to questions of delimiting the objects of jurisdiction and powers among the federal agencies of state authority and the agencies of state authority of subjects of the Russian Federation, as well as monitoring of the rate of fulfillment of the decisions of the President of the Russian Federation with regard to questions pertaining to the competency of the Commission.
- For questions requiring a decision of the President of the Russian Federation, the Commission, in the established procedure, makes the appropriate recommendations.
4. The Commission, in order to resolve the tasks entrusted to it, has the right:
- to form a council of experts, to the working of which it can invite specialists from the federal agencies of state authority and the agencies of state authority of subjects of the Russian Federation, as well as scientific centers and organizations of the Russian Federation. The makeup of the council of experts and the procedure for its work are approved by a decision of the Commission;
 - to create in the established procedure interim working groups to develop recommendations pertaining to individual problems, and to attract for those purposes specialists from the federal agencies of executive authority, the agencies of executive authority of the subjects of the Russian Federation, and public, scientific, and other organizations;
 - to interact with the federal agencies of state authority and the agencies of state authority of subjects of the Russian Federation during the preparation of drafts of

documents pertaining to the delimitation of objects of jurisdiction and powers among those agencies;

—to obtain from the federal agencies of state authority and the agencies of state authority of subjects of the Russian Federation information (materials) dealing with questions that are within the competency of the Commission.

5. The makeup of the Commission is approved by the President of the Russian Federation.

6. The makeup of the Commission includes the Commission chairman, his deputy, an executive secretary, and Commission members.

7. The Commission chairman:

—heads the Commission's work, the council of experts, and the interim working groups, and organizes the execution of the Commission's decisions;

—conducts the sessions of the Commission and signs its decisions; reports on the Commission's work to the President of the Russian Federation.

8. The Commission's deputy chairman carries out the powers of the Commission chairman in his absence.

9. The Commission's executive secretary organizes Commission sessions and informs its members no less than five days previously about the date of the next regular session and its agenda; sends out the materials that are necessary for the forthcoming session; signs Commission decisions and instructions; and monitors their execution.

10. The Commission members participate personally in the Commission sessions

11. The Commission performs its work in conformity with a work plan that is adopted at a Commission session and approved by its chairman.

12. Commission sessions are held as needed, but no less frequently than once a month, and are considered to be valid if no less than half the Commission members are present at them.

13. Commission decisions are adopted by a simple majority of the votes from the total number of persons present at the session.

14. The Commission's adopted decisions are formalized by minutes that are signed by the Commission chairman (in his absence, by the Commission's deputy chairman) and the Commission's executive secretary.

15. The Commission is reorganized or eliminated by Edict of the President of the Russian Federation.

Makeup of the Commission, Under the President of the Russian Federation, For Preparing Treaties Delimiting the Objects of Jurisdiction and Powers Among the Federal Agencies of State Authority and the Agencies of State Authority of Subjects of the Russian Federation

SHAKI'RAY, S. M.—Deputy Chairman of the RF Government (Commission chairman)

OLEFIRENKO, A. V.—deputy chief of the State Legal Administration of the President of the Russian Federation (deputy Commission chairman)

AVERCHENKOV, A. A.—deputy RF Minister for Protection of the Environment and Natural Resources

BASKALOV, N. I.—chief of the main administration of Gosimushchestvo Rossii [RF State Committee on the Administration of State Property]

BATSYN, V. K.—deputy RF Minister of Education

BEVZENKO, A. N.—first deputy RF Minister of Transportation

BEZLEPKINA, L.F.—RF Minister of the Social Protection of the Population

BEKOV, S. M.—Deputy chairman of GTK Rossii [RF State Tariff Committee]

BOGDANOVICH, A. O.—Deputy RF Minister of Railroads

VLADIMIROV, V. A.—deputy RF Minister for Matters of Civil Defense, Emergency Situations, and the Elimination of the Consequences of Natural Calamities

VOLEGOV, Yu. B.—deputy RF Minister of Culture

VOLKOV, V. V.—deputy Manager of the Administration of the President of the Russian Federation

VOLOKH, V. A.—deputy manager of FMS Rossii [Russian Federal Migration Service]

VRONETS, A. P.—deputy RF Minister of Communication

GALANTS, V. D.—deputy manager of FSZ Rossii [Russian Federal Employment Service]

GRITSAYEV, V. P.—deputy chairman of Roskomdragmet [Russian Committee on Precious Metals and Precious Stones]

GROMOV, S. L.—deputy chairman of Roskomzem [Russian Committee on Land Resources and Land Management]

DANILOV, Yu. M.—deputy chairman of GKAP Rossii [RF Committee for Antimonopoly Policy and Support of New Economic Structures]

DUBININ, A. V.—deputy department chief, State Legal Administration of the President of the Russian Federation

YEGOROV, N. D.—RF Minister for Affairs of Nationalities and Regional Policy

ZHOKIN, A. M.—deputy chairman of Gosatomnadzor Rossii [Russian Federal Oversight of Nuclear and Radiation Security]

This report contains information which is or may be copyrighted in a number of countries. Therefore, copying and/or further dissemination of the report is expressly prohibited without obtaining the permission of the copyright owner(s).

ZHURAKOVSKIY, V. M.—deputy chairman of Goskomvuz Rossii [RF State Committee on Higher Education]

IVANOV, G. D.—assistant to the RF Minister of Defense

IVANOV, I. S.—first deputy RF Minister of Foreign Affairs

KAZAKOV, A. I.—chief of the Administration for Work With Territories, of the Administration of the President of the Russian Federation

KARASTIN, V. G.—deputy RF Minister of Foreign Economic Ties

KUZNETSOV, N. N.—deputy director of DNP Rossii

KULIKOV, A. N.—deputy RF Minister of Internal Affairs

LYSENKO, V. N.—deputy to the State Duma of the Federal Assembly (by coordination)

PETROV, V. A.—first deputy RF Minister of Finance

POKROVSKIY, V. A.—deputy RF Minister for Cooperation With States Participating in the Commonwealth of Independent States

SAZONOV, A. A.—deputy department chief, RF General Procuracy (by coordination)

STEPANOV, A. M.—deputy RF Minister of Justice

SURIKOV, A. I.—first deputy chairman of the Russian Federation of Independent Trade Unions (by coordination)

TYMKO, A. I.—first deputy RF Commander in Chief of Border Troops—chief of the Main Staff of RF Border Troops

FEDOSEYEV, A. M.—deputy to the Council of the Federation of the Federal Assembly (by coordination)

FONOTOV, A. G.—first deputy RF Minister of Science and Technical Policy

TSAREGORODTSEV, A. D.—deputy RF Minister of Public Health and the Medical Industry

SHAPOVALOV, S. A.—chairman of the Committee For Matters of the Federation and Region I Policy, of the State Duma of the Federal Assembly (by coordination)

SHAPOVALYANTS, A. G.—first deputy RF Minister of Economics

SHCHERBAKOV, V. P.—first deputy chairman of Roskomnedr [RF Committee for Geology and the Use of Mineral Resources]

YANVAREV, V. A.—deputy RF Minister of Labor

POZDNYAKOV, A. M.—deputy RF Minister for Affairs of Nationalities and Regional Policy (Commission's executive secretary).

Delay in Adopting Law on Local Self-Government Discussed

944F1072B Moscow ROSSIYSKAYA GAZETA
in Russian 23 Jul 94 p 2

[Interview with Anatoliy Sliva, by Yevgeniy Skukin, under rubric "In the State Duma": "Manage the Territory, Not People's Lives"]

[Text] During the past half-year the State Duma has already discussed three times the problems of authority in the outlying areas. However, the long-awaited law that would clearly define the concept "local self-government" itself still has not been adopted. Once again the Duma limited itself simply to adopting a partial decree, entitled "Guaranteeing the Constitutional Rights of the Population to Local Self-Government in the Normative Legal Acts of Subjects of the Russian Federation."

At the request of the editorial office, Anatoliy Sliva, chairman of the Committee on Questions of Self-Government, of the lower house of the Federal Assembly, comments on the situation.

[Sliva] The enactment of the law is being delayed for objective reasons. The Civil Code and the Land Code have not yet been adopted. The reform of the budgetary and tax systems has not been legislatively formalized. Therefore this law cannot be adopted. Because everything must be rigidly linked together. Otherwise, there can be a stillborn child. Currently two drafts of this law are being worked on—one was prepared by a group of deputies, and the other by a governmental commission that also includes deputies.

We are forced to adopt decrees of the previously mentioned type, without waiting for the completion of the work on the law as a whole, because the citizens' constitutional rights are being violated in the outlying areas. The population is limited in the independent determination of the structures of authority in the outlying areas and the elections to them, and is crowded out of participation in managing municipal property. The situation has got to such a point that, in a number of places, so-called "local state self-government" has begun to be introduced, and this is in obvious contradiction to the Constitution.

[Skukin] Anatoliy Yakovlevich, what does an ordinary person know about self-government? Can it be that his vocabulary does not even include that word?

[Sliva] But he lives constantly in the midst of local problems. Because everything that pertains to a person's needs, to normal human life—all these questions are local: personal services, trade, housing, and elementary public order. And it is precisely in the outlying areas that it is necessary to have levers to resolve all these questions. I remember that in the city of Ulegorsk on Sakhalin the local managers began complaining to our delegation about the complicated criminal situation. We asked them who the rowdies and thieves were. They're

our own people, they answered. Well, then, what do you expect us to do, we asked. Send out someone from Moscow and install order here? I'm afraid you'll have to wait a long time for that...

[Skukin] We need a law on local self-government today as much as we need air to breathe. Many people realize this. But many people are also perplexed: how, for example, can that law help them during this crisis of nonpayments?

[Sliva] It can help them directly. They will begin to redistribute the labor resources in favor of the municipal economy and will immediately sense an easing up. They will untie the entrepreneurial activity in the outlying areas and will increase the number of jobs—nonpayments will immediately become a thing of the past. Because it is not the state that will be making the payments.

[Skukin] Anatoliy Yakovlevich, what level of territories fall into the category of those that govern themselves: is it an oblast, a city, a rayon?

[Sliva] Incidentally, the chairman of the Supreme Soviet of the Republic of Tatarstan once asked me a question that is very similar to the one you just asked: where does this local self-government begin and will it exist in Kazan? I told him, "Look at the Constitution." Self-government begins where the authority of the subject of the Russian Federation ends. It exists in city and rural settlements. Kazan is a city, a large urban settlement. What one has here is the intertwining, on the one hand, of the state capital powers, and, on the other, the urban functions proper. No one objects to the manageability of the territories, but everything that pertains to people's daily life must be transferred to self-government.

[Skukin] I suspect that nobody is in any particular hurry to achieve this.

[Sliva] It is facing fierce opposition. All the subjects of the Federation, all the regions, are demanding additional powers and resources for themselves, but when you ask the administrator what he has taken from what was received from the center and then given to the urban authorities and the rural rayons, he only throws up his hands in bewilderment. I am profoundly convinced that many of those who voted for the Constitution on 12 December also voted, to no small degree, for self-government. In the 10 June decree we especially emphasize: the people voted, so give them their rights.

[Skukin] During the Soviet era, was the situation better with local self-government?

[Sliva] Not with self-government, of course, but as for local budgets... Even with that system the budgets of the local soviets constituted, in the country's total consolidated budget, no less than 14-15 percent, or maybe rose to as much as 18-20 percent. The population definitely has a self-interest in having as many funds as possible allocated to meet its own needs, and people's reproaches

should be addressed to those who are inhibiting the passage of the law on local self-government.

[Skukin] Whom do you mean, specifically?

[Sliva] First of all, the people who were appointed to a job, but now they are managing territories. Incidentally, the wisest of the appointed administrators understand the unpromising nature of their status as appointees, and are ready to participate in elections.

[Skukin] But even the President currently supports actively the idea of electing administration heads. As you recall, he called Vladimir Shumeiko's recommendation to extend the deputy and presidential powers unconstitutional, and stated that an election will occur and that it is necessary for the administration heads to go through the electoral procedure by that time.

[Sliva] There is one thing disturbing about this—the deadline for the election. Are we supposed to wait until 1995 or the beginning of 1996? To wait for everything to be in a state of collapse by that time? We do not have the right to allow this.

Chechen Opposition on Talks With Russia

944F1070A Moscow ROSSIYA in Russian
No 27, 20 Jul 94 p 7

[Interview with Isa Aleroyev et al., by Galina Mashtakova, under rubric "Anti-Dudayevites": "But Russia Remains Silent. Why?"]

[Text] My conversational partners are those who, despite the opinion of the current Chechen authority, consider themselves to be the opposition. We should say outright that they do not resemble bandits very much. I think that vice-premier Sergey Shakhrai; Nikolay Yegorov, the current head of the RF Ministry for Nationality Affairs and Regional Policy; and Sergey Filatov, the head of the President's Administration would scarcely be carrying out official negotiations with "bandits." So the first question I asked Isa Aleroyev, Badrudi Dzhamalkhanov, and Ruslan Martanov was:

[Mashtakova] How are the negotiations in Moscow proceeding and what are their results as of today?

[Response] In early May there was a meeting with Shakhrai, who was still the chairman of Goskomnat [State Committee for Nationality Affairs]. We acquainted him with the goals and tasks of our Provisional Council, that had been created from delegates from several rayons in ChR [Chechen Republic], and also from the Terskiy Cossacks in Shelkovskiy and Naurskiy rayons. We explained that the VS [Provisional Council] had assumed the responsibility for conducting in Chechnya a real democratic election and for establishing legal authority in the republic. Then Yegorov continued the negotiations with us. So we ask the direct question: through all the information channels it has been reported that a certain Shmidt Dzoblayev has been

sent to Chechnya as a fully empowered representative of the President of Russia. Who is he and what powers does he have? Nikolay Dmitriyevich shrugs his shoulders, and in our presence telephones Sergey Filatov. He asks, "Didn't you send anyone to Chechnya?" Filatov answers, "I didn't send anyone. This is Dudayev's latest provocation..." Nevertheless, there is no refutation, and the negotiations continue to drag out. True, the new Goskonnats chairman has helped us in questions of financing: pensions paid to the elderly in Nadterechnyy Rayon will now come from Russia. But otherwise, in the most important questions... The impression is that, for some people in Russia, it is advantageous to have this kind of "black hole" on their territory.

[Mashtakova] Do you have in mind the washing away of petrodollars, the trade in arms and narcotics?...

[Response] It is annoying when Russia gives its republics "as much sovereignty as they can carry away," and thus provokes nationalism, and, moreover, by transferring funds, it also provides material sustenance to that frenzied nationalism.

Those freedoms whose absence Dudayev has speculated on actually do exist. Freedom of religion—where is Islam being suppressed? Freedom of movement—nowadays anyone can go wherever he wants. And as for economic independence... Speaking frankly, by having a fellow countryman of ours in the position of Chairman of the Russian VS [Supreme Soviet], we were able to get as much economic freedom as we wanted.

But what is the situation now? Petroleum is produced and it goes somewhere. Forgive us for saying so, but it cannot go anywhere without Russia's help. You are well aware that there are customs, borders...

This cannot continue for long, and, consequently, it is profitable both for Dudayev and for those who support him in Russia to resolve the "problem of Chechnya" not by the civilized method of compromise with the opposition, but by the method of force, that is, by means of sending Russian troops onto the territory of the republic. So, once again, there is blood and, once again, there are Russian soldiers in the role of occupying forces...

[Mashtakova] How would you comment on the recent armed conflict in Grozny itself? Has Ruslan Labazanov—a close associate of Dzhokhar Dudayev's and an obvious supporter of his regime—turned the weapons against his own people? How does one explain this?

[Response] Dzhokhar used to call him "my little pirate." Like many young people who were disappointed by the idea of independence, Ruslan was an ardent supporter of Dudayev and, as he himself now admits, "used to perform certain delicate jobs for the president." He gathered young men around himself, armed them, and, in proportion to his disappointment with the "boss," began to play in Chechnya the role of some kind of Robin Hood. Actually, all the oppressed and outraged

used to go to him to ask him for assistance in their defense or in getting vengeance. On 11 June Labazanov conducted a rally in Grozny at which he attempted to open people's eyes to the so-called president's unseemly actions that perhaps were known only to him. On 12 June he demanded direct access to television time in order to repent to the nation and declare war on the ruling regime. At 0400 hours on 13 June equipment was moved into position in the housing area where, on three floors of one of the nine-story buildings, Labazanov had installed his detachment, and the equipment began shelling the buildings. That was a large-scale operation—ten pieces of armored equipment, and several hundred Dudayev hitmen. According to our information, at least a hundred persons died: eight Labazanov people, 60 peaceful residents, and the others were Dudayev people. But the most awful thing was something else. Ruslan, as a truly noble pirate, used to provide food, clothing, and shoes for boarding school orphans. It was they who lived with him in those nine-story buildings. The children perished! Labazanov managed to get away, but he considered himself to be responsible for all the blood that had been shed and he swore that he would get vengeance for it. Now he will not stop at anything...

[Mashtakova] Excuse me, but the halo of this Robin Hood romanticism somehow does not preclude the question of why, properly speaking, a separatist armed detachment occupies three whole floors of an ordinary urban apartment building. Is that customary nowadays in Chechnya?

[Response] Labazanov is no angel, of course. At one time, when the Russians were leaving, he bought their apartments for his kids. That's how it happened... As you can realize, Dudayev's excesses provoked many people to carry out illegal actions. So we now have come into direct conflict with the so-called *teyp* or clan opposition.

[Mashtakova] Are there many of these *teyp* armed detachments?

[Response] It is difficult to say. Beslan Gantemirov, the former head of the city assembly that had been executed by firing squad, is hiding in the mountains of Urus-Martan with his detachment. The local residents will never surrender him. Nadterechnyy Rayon, which has not submitted to the regime, also has been forced to defend itself... When our people's congress was being held in its rayon center—the village of Znamenskoye—cordons of Dudayev hitmen were standing along the entire border of the rayon.

[Mashtakova] You attempt to fight a regime which, in the opposition's opinion, is criminal, by using exclusively political methods. You are the opposition in pure form. But all of you—members of the delegation from the ChR People's Congress—are beyond the law in your own land. You cannot count only upon yourselves, and therefore you leave no stone unturned in appealing to all the high Russian offices. But what about Beslan Gantemirov, Ruslan Labazanov, and others like them?

After all, your goals and tasks (in the sense of replacing the authority in Chechnya) are one and the same...

[Response] Russia, by which we mean its leadership—the President's Administration, the State Duma, and the RF Ministry for Nationality Affairs and Regional Policy—is in no hurry to help us. In the process of negotiations, the impression of a terrible lack of coordination in their actions is created. Either that or a lack of desire... We are beginning, willy-nilly, to feel that we are in the opposition not only with respect to our own Chechen authority, but also with respect to the Russian authority. The Russian leadership is obviously ignoring us. Can it be that it is afraid that standing behind us is the Russian opposition in the person of Ruslan Imranovich Khasbulatov? Because he has announced the cessation of his political activity.

[Mashtakova] You didn't answer the question completely...

[Response] About Labazanov? It is necessary somehow to unite. What else remains for us to do?...

Chechen Vice President Views Current Situation

944F1070B Moscow ROSSIYA in Russian
No 27, 20 Jul 94 p 7

[Interview with Zelimkhan Yandarbiyev, vice president of the Chechen Republic, by Roman Vladimirovskiy: "Zelimkhan Yandarbiyev: Russia's Special Services Are Constantly Organizing Provocations"]

[Text] [Vladimirovskiy] How would you comment on the recent events in Grozny? The street fights on 13 July?

[Yandarbiyev] There was an attempt to give the impression that large-scale combat actions were occurring here, but actually the special [intelligence] services of the Chechen Republic had planned an operation to eliminate gangster groupings. Certain people wanted to portray the operation as a political one. Such attempts were made, and in an extremely intensified manner. Practice has shown that there is nothing political in these groupings and there cannot be anything political. The proposal was made to them that they disarm themselves and take pledges to renounce their gangster actions. They did not accept the special service's conditions and provoked the bloodshed. It was necessary to eliminate them.

[Vladimirovskiy] What is the size of that grouping?

[Yandarbiyev] The total size of the grouping was somewhere around 50-60 persons, but I do not know how many persons were in it at the moment of elimination. That is a question for the special services.

[Vladimirovskiy] Recently an attempt was made on the president's life. How do you evaluate that step, and what consequences can there be in the future?

[Yandarbiyev] There is only one way that one can evaluate an attempt on the president's life. It is a crime

against the state and against the nation. And when such crimes are repeated five or six times over a two-year period, that tells you that there are forces that want to use every means to eliminate a person in whom they probably see the main force of the process. For three years Dudayev has been attempting to prove that he did not arrive in power accidentally, that it was not by accident that the nation elected him president, and that the idea whose implementation he is directing is an expression of the centuries-old strivings of our nation. The most recent attempt on his life, when the minister of internal affairs, his first deputy, and one more MVD employee perished, indicates that apparently a very broad circle of specialists has been set in action. The fact that it was a large-scale subversive act is also attested to by the level of its preparation and the force of the explosion itself.

Incidentally, on the eve of the assassination attempt there was a repetition of such a provocation act as the capture of terrorists by the Russian special services. For some reason they seize hostages and transport in Minvody [Mineralnyye Vody] (they have already seized them three times), for some reason they ask for a helicopter to take them to Dagestan, and for some reason constantly land in Chechnya. There is that consistency... And for some reason the Russian special services carry out operations to neutralize those terrorists without any clearcut interaction with their Chechen counterparts. Our special services, to their honor, have already demonstrated three times that they are capable of eliminating any terrorist grouping.

Putting it succinctly, I feel that the hullabaloo with the terrorists was undertaken in order to deflect definite forces for the so-called neutralization of terrorist groupings. But the chief goal was the attempt on the life of the president of the Chechen state.

[Vladimirovskiy] After those words, what prospects do you see for the development of relations between Russia and Chechnya?

[Yandarbiyev] The prospects for relations between Russia and Chechnya must not depend upon the actions either of the special services or of the politicians, who have evil designs against the Chechen state. In the final analysis, the prospects, I think, are positive, and an agreement between the states will be achieved. Normal contacts will be established. But with the present authorities this is problematical, because every time we are convinced that in Russia there are no forces that are seriously interested in establishing smooth interrelations.

They may not be the fault of the higher leadership, but it is at least the fault of those groupings that, in some way, are dictating policy to their leadership. And this causes the greatest concern. I think that what are manifested here are the imperial vanities of the Russian Federation, and, in part, the water is also being muddied by the renegades who were forced to flee from here. They

apparently still have a voice in the corridors of power of the Russian empire. And apparently their voice is listened to in Russia's special services. If one speaks about our desires, I would like the people in the Russian leadership to start thinking finally about the nature and goals of the actions taken by the so-called "members of the Chechen opposition," who have gone to Moscow with their caps in their hands. It is necessary to analyze their true goals, nature, and principles, and their true situation here. And to work out a truly constructive, new policy with respect to the Chechen state. It is only after this that the current leadership in Russia will be able to change over to constructive dialogue with the Chechen state.

[Vladimirskiy] What is your model for the future relations between Russia and Chechnya?

[[Yandarbiyev] In any case the model of interrelations between the Chechen and Russian states would seem to me to be based on complete interrelations between the states, rather than federative or associated ones.

The Tatarstan alternative is not our alternative. To those who are not accustomed to modeling political situations, this will appear to be some kind of conservative approach. Yes, conservatism does exist here, and it could not fail to exist. But we feel that the interrelations between Russia and Chechnya must and will exist, as a result of such interrelations between the states within the framework of the former Union. Russia's attempts to bring under its control the new independent states, that is, the former republics of the Soviet Union, are already obvious, but unpromising... Russia will not succeed in doing that because today is the time for absolutely new paths and new interrelations.

Today the Chechen Republic is the most independent state on the territory of the former Soviet Union, although legally we have not been recognized by the international community. But the Chechen nation and the Chechen leadership do not strive for isolation. We are aware that it is not only impossible, but also inadmissible, to isolate oneself from that community of nations that was formed and that will continue to develop in the future on the territory of the former Soviet Union. But it is also inadmissible to make any infringement upon our sovereign rights. Those two principles are the basic ones...

[Vladimirskiy] Three or four months ago there were constant discussions in our political circles about the possibility that Khasbulatov might occupy the place of the new saviour of Chechnya. Where is he? What has he been doing?

[Yandarbiyev] In my opinion, Khasbulatov is currently in Moscow at the Timiryazev Academy. According to my information, he has begun working as an instructor.

He did not play a very significant role, although the attempts carried out both on his part, and on the part of

those forces that sought a leader here who would be an alternative to Dudayev, were carried out very strenuously. Those are the forces that left, that were deprived of power as early as 1991, and those that, in subsequent events, were forced to leave in the direction of Russia, and also the Russian politicians. In brief, the attempt to find an alternative failed... And it failed because Khasbulatov lost much in the eyes of the nation simply because of his purely pro-Russian orientation. We saw that the image that he had built up could prove to his advantage at any moment. But he was completely nullified by his pro-Russian position. When Khasbulatov only appeared here and failed to express his positions completely, he was perceived as a person who had been a parliament chairman in Russia, a martyr, our man, as a person who could help us. But as soon as he let the cat out of the bag at one of the meetings by stating that he considered Tatarstan's path to be suitable also for Chechnya, that ended it for Khasbulatov. As soon as we heard that, we said, "Excuse us, but we do not choose Tatarstan's path. We have our own path." In one of the rayons Khasbulatov made a statement, and mentioned his friend Rutskoy. Suddenly he says that he considers that the treaty that was concluded by Tatarstan and Russia would be the ideal version for us. After that I said that if he continued along this path, I would be forced to arrest him...

[Vladimirskiy] But then Khasbulatov left?

[Yandarbiyev] Yes. He realized that this was not the place for him. We promulgated his words.

[Vladimirskiy] But what is the economic basis of independence? What are the current facts and figures that indicate that the Chechen Republic is able to develop independently?

[[Yandarbiyev] There do exist arguments that attest to the fact that the Chechen state is capable of independently developing economically. These arguments have already been discerned even in the Russian press. Despite all the blockades, desires, and intrigues, the Chechen state is moving along the path of the strengthening of its positions both politically and economically. And it is already possible today to cite several arguments: first, we have already seized the levers of economic stabilization. The recession has been stopped, and the buildup of production has been underway gradually, albeit at small rates. Secondly, we have already existed for more than two years and we do not ask anyone for credit. Things may be difficult for us, but we still do not ask for that credit. We also do not have a single ruble of foreign debt, at a time when Russia itself is channeling approximately 90 percent of its highest political activities into getting credit and assistance.

We feel that the nation itself is capable of traveling successfully along the path of breaking with the old relations and developing new ones, and developing a new way of economic thinking. But it is simply impossible to change over rapidly from the socialist system to

the market economy. With every passing day, more and more people here are beginning to understand that we must learn how to work and live in a new way.

[Vladimirskiy] The unprofessional reader has difficulty in making a judgment about economic growth or about import and export. What is the standard of living in Chechnya as compared with Russia, if we compare wages and expenses?

[Yandarbiyev] In order to make that comparison, it is necessary for you to walk through the bazaars and the stores and look at the prices. They actually will prove to be considerably lower than the prices not only in the heart of Russia, but also those around Makhachkala, Nalchik, and Vladikavkas. And everything is being done to demonstrate how profitable it is for nations to remain within the makeup of Russia. The central zone is not allocated as much of everything as the national borderlands are allocated. Nevertheless our prices are cheaper. I have not inquired about our average statistical wages, but our minimum wages are 9000 rubles. That is in the budgetary sphere, but on the average for the republic there are very strong fluctuations.

[Vladimirskiy] Are any actions on the part of Russia possible that would help to raise a wave of discontent in Chechnya?

[Yandarbiyev] Provocations are not only possible, but they are actually carried out almost every day on the part of the Russian special services. To a large degree today's situation is characterized specifically by this. But I think that they cannot raise the nation on the basis of discontent. People have a very large number of problems. No one can deny that. Things are difficult for people. But who isn't having a difficult time today? Recently we were in Novozhel'tovskiy Rayon, and there are places there where, 150 years ago, during the Russo-Caucasus war, Chechen troops won a number of victories. Commemorative measures were being carried out there. Monuments were being erected. We saw the attitude that the nation there had toward Dudayev.

But you really have to see that for yourself... People, including elderly ones, walked dozens of kilometers to get to that place, and all of them wanted simply to tell Dudayev, "May God help you!" Everyone wanted to say that himself... But, most importantly, you don't know how to behave in that kind of surprising situation. They were ordinary people—women, children, old men. So I think that our nation will not give in to any provocation that might trample upon the ideas of independence.

Dudayev Looks to Economic Revival

944F0970A Moscow NEZAVISIMAYA GAZETA
in Russian 7 Jul 94 pp 1, 3

[Interview with Dzhokhar Dudayev by Natalya Pachegina; place and date not given: "Chechnya Has Purged Itself of the Filth. Now Economic Revival Awaits It"]

[Text] [Pachegina] Mr. President, what kind of changes, in your view, have occurred in policy, the economy, and culture in Chechnya in the years of independence?

[Dudayev] Giant changes.... The extreme situation forced all of us to use our brains. We were able to mobilize our entire potential primarily in the fight against terrorism, sabotage, political provocations, hostile propaganda, and simultaneous isolation—financial, economic, political.... This forced us to rely only on ourselves and... to emerge from this onerous situation.

In the sphere of the economy and production we have considerably outdone the whole of the Union and the CIS and taken the key positions into our own hands. This is our most important achievement. That at a most critical time we halted the decline in production and the disintegration of the economy, and adopted a policy of creation—this, without any doubt, affords prospects....

Our biggest achievement is the purge of the filth. All the emotional wounds, hidden by time and by propriety, have been spotlighted.... Not only we, but all peoples of the former Soviet Union know that the visible picture is one thing, but inside we were chronically ill with the serious ailment of lack of spirituality and immorality. The Chechen people have been returned to the spiritual values of humanity, to our popular traditions. A giant surge forward, which we cannot at times appreciate today, even, because this will take time, has been made in this sphere also, in my opinion. Only our descendants will be able decades later to appreciate the greatness of the people's exploit. But the main thing is that we have succeeded in this difficult situation in preserving our citizens from upheavals and bloodshed.

[Pachegina] The republic press reports that by the end of this year, Chechnya intends in terms of production indicators in the sphere of industry to reach the frontiers of 1985, that is, the time after which the general decline in production began. How realistic is this?

[Dudayev] Please understand, one type of property, be it party or state property, but of the entire vast country, one-third of the globe.... And all of sudden, all doors to all types of property of which mankind knows are opened.... As we know, property is the main criterion of man's position. The present so-called West underwent these cataclysms also. We know that in the 1930's, gangster groupings became the owners of the railroads, airlines, industry, and so forth. These processes were more painful in the West, incidentally, there was literally war. In the former Soviet Union, in the socialist camp, these processes are not that agonizing. This is why property is the main barometer of the state of society.

Today, having no idea of the real value of things, everyone has rushed into barter and trade. Production has undoubtedly fallen under these conditions, and this is disastrous for the economy. No one wants anything to have a price. And we began with sand. How much is a cube of sand, do you know? I started with a road that we

had begun to build six years ago and gave two industry administrations the assignment of making the calculations and compiling the estimates, and, according to my data, this "interminable project" should have been completed in 15 days.

One produced an estimate of R3.2 billion, the other, of R2.8 million. I asked: Why such a difference? As far as I know, the cost of a cube of sand amounts to the cost of the loading plus the cost of the haulage.... R270 instead of the R5,000 that were cited. This prompted in me the thought that it was necessary to create a price for an object, the price of labor. In short, we began with sand and went on to value our raw material, what we produce from it, what kinds of products.... And then, considering purchase, delivery, transportation, we were able to compute the cost. So now we have pricing, and the republic has conducted a stock-taking. And since there is state property, we can compose a government contract... 70 percent of products for the government contract, 30 percent for the realization of domestic requirements and the expansion of production.

Subsequently we had to put together a budget, without a deficit, what is more. And this under conditions where the republic was in 73d place in the USSR in terms of social development. In oil production and petroleum refining, the technology was of the 1930's, not having been updated once since that time. I set scientists the assignment: "Whoever finds a formula for the formation of the budget, a reward—a degree and the people's gratitude." We set to work. I myself took part.... And we found this formula. The budget was put together, and I can assure you that no other state or republic of the former Union has such a working budget.

So serious changes are coming. After all, children are now being sent to us from all corners. They are being put on the train to Grozny and told: Go on, you will be accepted there. Particularly in winter. We take 10-12 young ones off each train. We have had to open two boarding schools. You know, after all, that genocide is going on around us, many women have been left without husbands and are coming here, and children are being handed over here from all of the Caucasus. From Azerbaijan, Abkhazia, Ingushetia, Siberia, the Urals, the Far North.

[Pachegina] Mr. President, what do you think about the none-too-well-ordered relations with Russia? After all, the word most frequently used by Grozny in an assessment of these relations is "provocation," is it not?

[Dudayev] Provocations, yes, they are obvious. Every day provocations, every hour.... Russia is not in control of the situation and in attempting to do us a bad turn has untied the hands of all criminals, whom it itself is not in a position to stop. The political leadership of Russia has today let a genie out of the bottle such as....

But there are prospects. If Russia intends to become a state based on the rule of law, there are such prospects.

The president believes that he controls the state; the Duma believes that it, not the president, is the master of the country. We believe that neither the president nor the Duma of Russia is in control. An uncontrollable process is under way in the Russian Federation. Each is creating a supreme political leadership, building power structures for itself. And this abundance of decrees and laws being issued by Russian leadership?

[Pachegina] Who, in your view, is the most promising politician in Russia?

[Dudayev] The most promising leader is the one that renounces power methods of authority, recognizing that power methods lead nowhere.... The promising leader is the one who has not only the desire but also a wealth of experience and a high level of erudition and responsibility. As yet I see only political ranters inflaming the situation and plunging the peoples and production into great confusion.

[Pachegina] Mr. President, how are your relations with the opposition within Chechnya shaping up?

[Dudayev] You must understand that there is no opposition here....

[Pachegina] But the names of people calling themselves the anti-Dudayev opposition figure in the Russian media....

[Dudayev] This indicates that the Russian public is profoundly deluded. All gangs, criminals, and offenders that are laying claim to power operate under the word "opposition." None of them is capable of understanding what is truly meant by opposition to a legitimately elected president and government.

[Pachegina] At the dawn of the Chechen revolution, I recall, Grozny ardently aspired to world recognition. What is the situation today, do you see any prospect of its joining the world community?

[Dudayev] We are taking no steps for Chechnya's membership of the world community. Chechnya is a state based on the rule of law according to all the rules of international law. And our strength is that we have not retreated one step from the canons of the law. Not one republic of the former Union can boast that it has, like Chechnya, trod a legitimate path toward a state based on the rule of law.

[Pachegina] Do you have an ideal among contemporary politicians?

[Dudayev] No, not as of today. I give Reagan and Gorbachev their due. These two leaders found within themselves the wisdom, courage, will, and talent to escape from a difficult situation. However they are being abused now. Mikhail Sergeyevich Gorbachev particularly, he is a very courageous man, a gifted reformer, and responsible for the fate of the future. His tragedy is that a base was not prepared for his reforms. And the masses, starved of democracy, rose up overnight with tears in

their eyes and launched an assault for new mutual relations and new mutual understanding. Elementary small-timers took advantage of this and seized the initiative. And instead of the law-based, humane democratic transformations of which he had conceived, they caused bloodshed. Nagornyy Karabakh, Alma-Ata [Almaty], Sumgait, Baku, Tbilisi. And they were off.... Lithuania, Vilnius, Moldavia [Moldova], Ossetia, Ingushetia, Abkhazia, and on and on.... The dangerous situation now consists in the fact that it is not the top political leadership that is controlling political processes but the military, which has seized the initiative and which is in a hurry to satisfy its general's ambitions. It is now regulating policy, and the "civilians" are merely attempting to hold on to their seats.

[Pachegina] At what is the work of the president valued?

[Dudayev] At R92,000. Russia, incidentally, has stopped paying a pension to retired serviceman Dudayev for some reason or other. And recreation, leave—these are not for me. I never used up my leave as a serviceman, either. Today, however, I have to find time to do a great deal, there is no time for recreation.

[Pachegina] And the army? Has this part of your life gone forever?

[Dudayev] You know, as a former serviceman, I can say that six months would be sufficient to create a strike force powerful enough to put everything in its place.

Tatarstan, Crimea Agreements Detailed

944F1100A Kazan KAZANSKIYE VEDOMOSTI
in Russian 27 Jul 94 p 2

[Interview with Prime Minister of Tatarstan M. Sabirov by KAZANSKIYE VEDOMOSTI correspondent Viktor Smirnov, under the rubric "Details"; place and date not given: "Advantageous for Both the Crimea and Tatarstan"]

[Text] As we have already reported, a Tatarstan Government delegation headed by Prime Minister Mukhammat Sabirov has visited the Crimea.

A number of intergovernmental agreements were signed in Simferopol. Subsequently, a trade mission of Tatarstan was opened in Sevastopol in a solemn setting, and yet another agreement on commercial and economic cooperation between the Black Sea Fleet, the city of Sevastopol, and the Republic of Tatarstan was signed.

What are the responsibilities of the Black Sea Fleet to Tatarstan and those of Tatarstan to the Black Sea Fleet in keeping with the agreement signed in Sevastopol?

Our correspondent Viktor Smirnov put this question to M. Sabirov:

[Sabirov] First, we should say that we helped them out a great deal during the winter season when we shipped diesel fuel without prepayment.

Second, as you know, our first oil tanker will be launched next year; later, the number of tankers will increase, and we need to have our terminals in the south. Meanwhile, the Black Sea Fleet has existing oil storage facilities in Sevastopol—surface tanks holding 5,000 tonnes, with a total volume of 30,000 tonnes. They also have so-called tunnel tanks with a volume of up to 30,000 tonnes or more. These tanks are located more or less in the middle of a mountain, and the temperature there is always constant—eight degrees above zero. As a rule, under such a temperature light fractions do not evaporate from oil, thus ensuring very economical storage of oil and refinery products. We intend to ship there not only oil but also residual fuel oil and other fuels. Roads leading to the tanks have been put in; besides, there is an opportunity to ensure the mooring of large tankers at the piers by expanding them just a little.

I believe that the agreement signed is advantageous for both us and the Black Sea Fleet. The fleet needs fuel every day at this difficult time while everybody decides what to do about this fleet—theirs is a large domain, it needs to be maintained. This is where we found mutual interests.

[Petrov] Mukhammat Galyamovich, what do the agreements signed in Simferopol provide for?

[Sabirov] I would begin with Ukraine. The Kremenchug Oil Refinery which meets modern requirements for the depth of processing is located in the territory of Ukraine. It is capable of processing oil with a sulfur content in excess of world standards which we produce here. Instead of taking the processed products back, we ship them to the Crimea and receive from there agricultural products, the kind we grow here only in greenhouses.

Our program provides not only for purchasing but also for producing fruits together. The Crimea will supply us with wine and liquor products, including the famous wines from Massandra.

In addition to refinery products, we have polyethylene, which the Crimea needs badly. This has to do with the fact that because of the wear of metal water mains, 40 percent of the water in the Crimea does not reach the consumer but leaks into the ground. The replacement of pipes with metal pipes again is inordinately expensive, and we have proposed to deliver polyethylene pipes which are considerably cheaper. In particular, our proposal was supported by the mayor of the city of Sevastopol, to my mind, a very businesslike person.

Furthermore, the Crimea has resort localities. It is expected that next year the Nizhnekamsk Oil Combine, with contributions from other enterprises, will commission a sanatorium in the Crimea with 560 slots.

However, ours is a large republic, and one sanatorium is not enough for us. For this reason, we have secured agreements in Sevastopol and other places and selected

compounds which they will lease to us; subsequently, I hope we will set it forth in contracts.

Finally, aircraft flights on the Kazan-Simferopol line which were discontinued several years ago are being restored. Flying through Moscow is expensive and takes a lot of time, while these will be direct flights.

Tatarstan's Political Parties Outlined

944F1162A Kazan KAZANSKIYE VEDOMOSTI
in Russian 3 Aug 94 p 4

[Article by M. Ibragimov under the "Politics" rubric: "There Are Many Parties in Tatarstan"]

[Text] The office for interethnic relations and ties to sociopolitical associations on the staff of the president of the republic has issued a pamphlet for purposes of information and instruction entitled "Political Parties and Social Movements in the Republic of Tatarstan."

The pamphlet's first section is devoted to the alignment of political forces, which, in the opinion of its authors, pursues two directions: the sociopolitical and the ethnic. In recent years, emphasis in the political arena has been placed on the attitude toward the republic's sovereignty, toward the principles of Tatarstan's relations with Russia. Now that a treaty has been signed with the Russian Federation, socioeconomic problems and domestic political problems are beginning to come to the foreground.

The pamphlet emphasizes that as of today the republic has practically no political forces that argue against Tatarstan's sovereignty or the need for market transformations. Differences lie only in the approaches to these problems.

Three basic mentalities have taken shape in Tatarstan. The first is the Russian: Regardless of the situation in Russia, the Federation must remain unified and indivisible, and Tatarstan—even though it may be sovereign—must remain a member of it. The second is the Tatar national mentality, oriented toward creation or rebirth of an independent nation state. The third approach might be called the regional or republic approach. In this case, we are talking about a way of thinking that proceeds from the standpoint of the interests of a majority of the population.

The state, represented by its president and the government, remains the most powerful political force in Tatarstan today.

The conclusion to be drawn from what we have said is that the republic is in the stage of forming a multiparty system. Work is being done on the law on political parties; it will formulate the general principles of relations between the parties and the state and the procedure for registering them.

The second section is devoted to theoretical problems concerning the sovereignty of Russia's republics and

their relations to the center, the evolution of a multiparty political system of society, and the character of state power, exercise of the right of the nationalities to self-determination, consolidation of nationalities, and the social and cultural rebirth of ethnic groups.

The third section gives the names of the republic's political forces and a brief description of them.

As of today, four parties at the republic level have been registered in Tatarstan—the Tatar National Independence Party "Ittifak," the Republican Party of Tatarstan, the Communist Party of the Republic of Tatarstan, and the Unity and Progress party; six regional branches and organizations of Russian parties—the Tatar regional branch of the party Russian Unity and Concord, the Democratic Party of Russia (Tatarstan organization), the Tatar Republic organization of the Russia's Choice party, the Liberal Conservative Party of the Republic of Tatarstan (not registered), the Tatarstan branch of the People's Free Russia Party, the Kazan organization of the Social Democratic Party of Russia; 12 political movements—the Tatar Social Center, the Equality and Legality voting bloc, the Democratic Reform Movement of Tatarstan, the Citizens of the Russian Federation movement, the multinational movement "Concord" of Tatarstan, the Milli Medzhlis, the Sovereignty multinational democratic movement, the Worker Alliance, the multinational Kazan Sociopolitical Center, the movement "Economic Breakthrough, Third Force," the Tatar youth alliance "Azatlyk," and the Youth of Tatarstan for Democracy association.

The range of parties and movements is rather broad in their mentality, ideology, objectives, and tasks. The main thing for them today is to prepare for the upcoming elections to the republic's parliament. Every one, of course, counts on victory. Some parties and movements have already decided on the number of candidates they will put forth and have even nominated specific candidates.

It will be a fierce fight. In addition to the republic political forces, there will be six Russian parties taking part in the elections. In the future, their number might increase.

Tatarstan President on State System Reform

944F1063B Kazan RESPUBLIKA TATARSTAN
in Russian 23 Jul 94 p 2

[Interview with Mintimer Shaymiyev, president of the republic of Tatarstan, by Anvar Malikov; place and date not given: "We Reached Agreement Under More Difficult Conditions Even"]

[Text] As we know, at a recent session the Supreme Soviet of Tatarstan approved a concept of the reform of the representative and executive authorities. Specifically, it is proposed reducing the number of deputies of parliament from 250 to 130. Half of them, elected from territorial districts with an equal size of the electorate, will work in

parliament on a permanent basis, the rest—representatives of cities and rayons—only in a period of plenary sessions, at which most important questions of state life will, in accordance with the Constitution of the Republic of Tatarstan, be decided.

Mintimer Shaymiyev, president of the republic, was among the supporters of this concept. Immediately following the conclusion of the session, on the eve of his departure for a two-week vacation in Crimea, he granted journalist Anvar Malikov an interview.

[Malikov] Mintimer Sharipovich, a search has been under way since October of last year for ways to reform the state authorities in the republic, and nine months later a concept has finally been produced. What is your assessment of it?

[Shaymiyev] I believe that the concept, with its approaches to a reform of the executive and representative authorities, entirely corresponds to the realities of the present day.

The only thing that I dislike in it is the name of the parliament. For the name conceals the essence also. I believe that the name "Supreme Soviet" carries the burden of the past and is associated in the eyes of the public with the omnipotence of the soviets, which are and will be no more. The name "National Assembly" would, in my view, be the most acceptable.

[Malikov] Why, all the same, did the concept not leave room for elections by party list, on which a number of deputies had been so insistent?

[Shaymiyev] As the time that has elapsed since the elections to the Federal Assembly of Russia and to the representative authorities of the Russian regions has shown, the new electoral system has not entirely justified itself. I myself supported elections by both party list and by district, but this was prior to 12 December. It was then ascertained that Muscovites constituted almost one-half of the deputies elected to the State Duma of Russia from the parties. This means that today the parties still do not encompass the territories with their influence. It is a question merely of the personal intentions of a limited range of the political community.

As far as the concept adopted by the Supreme Soviet of the Republic of Tatarstan is concerned, it affords the parties extensive opportunities to participate in the elections on a general basis by district. But I believe that before this they should reregister in accordance with current legislation.

[Malikov] And what is your view of the proposition that the parties acquire real influence thanks to the quota in parliamentary elections?

[Shaymiyev] Not entirely so: The parties gain strength not thanks to the quota but thanks to actual participation in the campaign. They have this possibility.

[Malikov] A stumbling block at the time of the debate on the concept was the demand of a number of deputies for introduction of the principle of the electivity of the heads of administration of the cities and rayons....

[Shaymiyev] I would like to remind you that the heads of administrations are appointed, in accordance with the constitution, with the consent of the local organs of representative power. The main thing here, however, is that this problem should be resolved only in its totality: What kind of authority will we have at city and rayon level—state or local government? And to elect or not elect the mayors—this is an oversimplified matter.

[Malikov] At the Supreme Soviet session you expressed the idea of the possibility of their election....

[Shaymiyev] With today's realities, when the economic reforms are still far from complete and are proving very difficult, the precise vertical line of the executive: president—ministerial cabinet—local administrations, should be preserved.

Subsequently, when the need for extensive state participation in the economic reform disappears and the functions of state regulation are reduced, switching to the general election of heads of administration of the cities and rayons will be perfectly possible. At this time, for example, privatization continues, and a sharing out of property is under way. A large part of it, in the form of controlling blocks of shares, is reserved to the state. Under these conditions representatives of the state should participate in the affairs of the stock companies and holding companies.

[Malikov] The concept devotes very little space to a reform of the executive branch. I would like to know how you view it.

[Shaymiyev] A program of the republic's socioeconomic progress interconnected with an intensive transition to market conditions is being devised at the present time. The reform of the executive also should undoubtedly be closely linked with this. We cannot be overly simplistic: reduce the managerial machinery by so many times. Reducing expenditure on it—there has always been and continues to be such a task. It was no accident that in response to the proposals of certain deputies at the session for cutting the machinery of administration in two I passed the comment that a permanent parliament was being discussed simultaneously within these walls. And it will require enormous expenditure. At the same time, on the other hand, since there will be a legislative body that works intensively on the adoption of laws, there will be a need for some people to execute them with the same intensity. The size of the administrative machinery should be such as is necessary for the solution of urgent questions and the accomplishment of tactical and strategic tasks.

[Malikov] And how do you evaluate the proposals concerning a merger of the staffs of the president and the Cabinet of Ministers that were heard at the session?

[Shaymiyev] We decided in principle formerly that Tatarstan—one of the most important republics—should have the institution of a presidency. And now, with the scale of the tasks confronting us, there is no reason to return to the starting positions. Together with elimination of the institution of the presidency the foundations of Tatarstan's statehood would be undermined, and the constitution of the republic would be two-thirds demolished.

[Malikov] It was no accident that I asked these questions—it is against these, after all, that, judging by the debate on the concept, accord in the adoption of the law on a revision of the constitution could stumble. Will it muster the requisite two-thirds vote?

[Shaymiyev] We adopted the constitution of the republic even under more difficult political conditions. And on the most difficult issues—the status of Tatarstan, languages, citizenship—on which, seemingly, there were incompatible views, we were able to achieve agreement. Now also, when parliament has, at the third attempt, arrived at the concept, this is in itself a big step. I believe that we will adopt the laws ensuing from it also and hold elections in good time, within the constitutional timeframe.

[Malikov] A few words about a more urgent problem that was broached at the session—the republic's financial affairs....

[Shaymiyev] As the finance minister announced, the budget could experience a shortfall of almost R1 trillion in revenue over the year. But why was I among the supporters of no adjustment being made to the items of revenue and expenditure at this time? The nonpayments are one aspect of the problem, after all. But this question may be solved, and there is still the possibility of pulling up the budget to the planned figures. There is every reason here for a more optimistic view of the state of affairs.

Since we have begun to talk about down-to-earth problems, I would like, taking advantage of this opportunity, to say a few words about the views on the harvest. In the two previous years the republic obtained record harvests, and this year they will, possible, be exceeded even.

[Malikov] Despite the bad weather even?

[Shaymiyev] The rain has hindered the fodder procurement, but the days are now fine, and the cropping work is going normally. We should not, therefore, curse the weather. God will punish us.

Tatarstan Land Reform Progress Assessed

94F1100B Kazan RESPUBLIKA TATARSTAN
in Russian 27 Jul 94 p 1

[Article by the Press Group of the Republic of Tatarstan State Committee for Land under the rubric "Land Reform": "Not Just for the Sake of Appearances"]

[Text] A new stage of land reform has begun. State ownership of land is being transformed on a broad scale into the property of citizens (private, collective, and collective-joint property), collective enterprises, joint-stock companies, and agricultural cooperatives. In the course of reorganizing agricultural enterprises in conjunction with changes in land tenure, it is necessary to take into consideration the initiative of labor collectives and uphold the principle of the voluntary disposition of their land allocations by citizens. It is very important not to infringe on the rights of citizens to obtain their share of land in keeping with legislation in effect.

Inspections carried out by the organs of the Republic of Tatarstan State Committee for Land uncovered certain violations of Edict No. 244 of the Republic of Tatarstan President of 10 May 1993. Thus, in the Path of Ilich and Tatarstan joint-stock companies in Almetyevskiy Rayon, the Rocket cooperative in Apastovskiy Rayon, and the Yakty-Kon association of agricultural cooperatives in Sarmanovskiy Rayon, no on-the-farm commissions were organized during the transformation of farms and lists of individuals entitled to obtain a share of land were not approved. Similar violations exist in Sabinovskiy and some other rayons of the republic. Mistakes and inaccuracies have been allowed to occur in the determination of the size of the share of land and the specific group of persons entitled to shares of land on the farms of Agryzskiy and Kukmorskoy Rayons. In particular, at the Yulduz joint-stock company in Agryzskiy Rayon the land share of retirees was set at one hectare less than for other members of the farm, which amounts to a most egregious violation. Similar violations were uncovered on the First of May and Yana Yul kolkhozes in Kamskoustyinskoy Rayon.

The effort to transform kolkhozes and sovkhozes and to actually reform land tenure has stopped in most rayons at the stage of approval of the size of the land and property shares in the general meetings of labor collectives. The admission of individuals entitled to land shares to the reformed agricultural enterprises with their parcels of land (shares) has not been legally documented. This perfunctory approach does not stimulate the people and does not facilitate the development of a feeling of ownership in reformed enterprises.

At many locations, rayon commissions for the coordination of efforts to transform farms have not been established.

It is a general drawback that the work on reorganizing kolkhozes and sovkhozes is frequently not brought to completion. Rayon soviets of people's deputies have not adopted decisions to transfer land to collective-joint ownership. The issuance of state deeds granting property rights to land is being delayed for this reason.

The further development of land reform is bringing about the appearance of a land market. In conjunction with this and in keeping with the Decree of the Republic of Tatarstan Cabinet of Ministers of 23 March 1993 "On

Taking a Land Inventory in Cities and Other Inhabited Localities," efforts are underway to discover and establish the right of legal entities and individuals to land, to lay the foundation for keeping the State Land Register, and to adjust and draw the borders of cities and other inhabited localities. It has become necessary to organize an automated land registration system (quantitative and qualitative accounting for land) which makes it possible to establish control over land transactions, plan the development of territories, and provide authentic information on all lots of land to the interested services. About R980 million has been used in the republic for efforts to take a land inventory. This endeavor has been well organized in Kazan, Nizhnekamsk, and Zainsk. At the same time, preparatory work and the taking of a land inventory in most inhabited localities are being dragged out because of a shortage of financial resources.

Much attention is still being paid in the republic to the allocation of land for collective gardening, personal auxiliary plots, and single-family housing construction.

Some 2,551 plots with a total area of 153 hectares were allocated for collective gardening in the first half of 1994 alone. This includes 2,261 plots with an area of 132 hectares for urban dwellers.

At present, more than 20,000 requests to obtain land for orchards, personal auxiliary plots, and single-family housing construction are on file; in order to satisfy them, another 1,830 hectares will have to be allocated.

At the same time, not all parcels for collective gardening are developed in a timely manner. In Vysokogorskiy Rayon, such parcels come to 35 hectares, in Pestrechinskiy Rayon, more than 250 hectares. Consequently there is an opportunity to redistribute the previously allocated plots along with the allocation of new land.

In the first half of this year 67 new peasant farms occupying 1,632 hectares of land, of which 1,445 hectares is plowed land, were organized in the republic. The reinforcement of control over the timely development and effective use of land allocated to peasant farms in recent years has produced favorable results. No serious violations in the technology of soil preparation and planting operations have been detected on peasant farms.

Land resource committees pay much attention to the legal documentation of land with various forms of ownership. During the half year, 2,313 owners of personal auxiliary plots in rural areas, almost 50,000 owners of single-family dwellings in cities and settlements, more than 35,000 owners of gardening plots, and 36 peasant (owner-operated) farms received documents certifying their right to own or use land.

While exercising state oversight of the use and protection of land, organs of the State Committee for Land in the first half of 1994 uncovered 313 instances of violations

of land legislation. Some 198 violations were allowed to occur by legal entities, 22—by officials, and 93—by citizens.

In 100 cases the guilty parties had to face statutory charges.

Enterprises and organizations paid damages in the amount of R417.1 million to kolkhozes and sovkhozes.

Tatarstan Post-Voucher Privatization Plan Assessed

944Q0512A Moscow KOMMERCANT-DAILY
in Russian 22 Jul 94 p 2

[Article by Galina Pechilina: "Tatarstan Has Invented Its Own Privatization"]

[Text] Tatarstan, which until recently used to have prepared a synonym for conservatism, has unexpectedly moved into the rank of regions that most actively support the post-voucher privatization program that has been prepared by Goskomimushchestvo [State Committee on the Administration of State Property] (for information concerning its parliamentary fate, see the material on this page). Moreover, Tatarstan has actually become the first Russian region that has prepared on its basis its own privatization program, which yesterday was officially submitted to the republic's government.

It is assumed that the concept will have a trial run through Tatarstan's governmental and presidential structures and the commissions of the VS [Supreme Soviet] and will be submitted at the first session after the summer parliamentary recess. In the words of Farid Gazizullin, chairman of the republic's GKI [State Committee on the Administration of State Property], this draft has been approved by Anatoliy Chubays. Last week Chubays deemed it necessary to announce publicly that the positions of the republic committee on property and the federal committee on property have recently drawn substantially closer together. This may confirm the lack of substantiation for Chubays' assertion that the regions have an economic self-interest in the quickest transition to the post-check model of privatization.

As Gazizullin stated, the experience that has been obtained by Tatarstan's State Committee on the Administration of State Property in the course of carrying out the first stage of privatization has made it possible to understand the necessity for making a substantial change in its goals. Whereas originally it was logical to use maximum benefits as incentives for the labor collectives that would be the first to decide to begin the reform, now it is necessary to discard the principle of "everyone will get his share" and to change over from mass privatization to the transfer of property to the so-called strategic investors. Thus, the chief goals of privatization have been announced as: the expansion of the sphere of the private owners; the attraction both of national capital and of capital from the countries of the near and far abroad; the guaranteeing of equal terms of management

for the private and state sectors; the obtaining of additional funds by offering the securities of the republic's enterprises to world fund markets, and also at the expense of the direct sale of uninstalled equipment, unused production areas, uncompleted construction projects, prestigious stores, restaurants, and other property; the enforced privatization of bankrupt enterprises; and the carrying out of the reform of state enterprises.

According to information provided by the republic's GKI, the first shares of Tatarstan's enterprises are supposed to appear at the London and New York exchanges in the current quarter. The responsibility of placing them has been given to a number of Western firms the names of which have not yet been divulged. Support in this sphere will be provided by YeBRR [European Bank for Reconstruction and Development] president and founder Jacques (Attali), who has become an advisor to the Tatarstan government. The republic will submit the shares of the most prestigious enterprises: the Tatneft, Nizhnekamskneftekhim, Nizhnekamskshina, and Kazanorgsintez joint-stock companies, the Kazan Helicopter PO [Production Company], the Kazan Motor-Building PO, and the Chistopolskiy Chasovoy Zavod "Vostok" AO [joint-stock company].

The concept presupposes that the sale of property to foreign investors must be carried out basically at world prices. However, if they assume definite pledges (specially large-scale investments; an increase in the volume of production of output; its sale in the domestic market; the preservation of a number of jobs), sale is possible with a discount of from 10 to 70 percent, as well as the gratis transferral of property.

The guarantor for the foreign investors who have decided to invest their capital in Tatarstan's economy is supposed to be an investment-financial corporation that will be created in the near future. Its planned statutory capital will be approximately one trillion rubles. The proposed founders are RF Goskomimushchestvo, Republic of Tatarstan Goskomimushchestvo, TPP [Chamber of Commerce and Industry] of RF and RT [Republic of Tatarstan], commercial banks of Russia, Switzerland, Germany, and Turkey, and very large industrial companies. Two alternatives of the corporation are being discussed. The first belongs to representatives of business and presupposes that it will be an independent commercial structure. The second is defended by certain members of the Cabinet of Ministers, who see the corporation as a governmental structure.

[Information in box]

Privatization in Tatarstan

Results of "large privatization"

The form of ownership has been changed for 600 enterprises.

The total statutory capital for privatized enterprises was 620 billion rubles, and the number of workers, 411,500 persons.

The share of the privatized enterprises in the overall volume of the value of republic property was 55-60 percent.

More than 60 percent of the persons employed in industry work at privatized enterprises.

Results of "small privatization"

Ninety-five percent of the trade enterprises that are republic property changed their form of ownership.

Fifteen percent of the trade enterprises that were transferred to municipal ownership were privatized.

8.4 percent of the apartments were privatized.

The role of check investment funds

Funds accumulated privatization checks with a total value of 10 billion rubles (out of the total volume of 34 billion rubles of canceled checks).

Funds acquired shares from 300 enterprises.

Out of 16 Tatar investment funds, 14 issued dividends to their shareholders at the rate of from 80 to 400 percent.

Tatarstan Housing Privatization Reviewed

944F1063A Kazan RESPUBLIKA TATARSTAN
in Russian 23 Jul 94 p 2

["Own information" report: "Rate of Privatization"]

[Text] A session of the republic Commission for the Privatization of State and Municipal Housing has summed up the results of the privatization of housing in Tatarstan.

As observed, 8.4 percent of the housing in the republic has been privatized. This process is occurring at a rapid pace in Atninskiy (61 percent), Kaybitskiy (84.2 percent), Novosheshminskiy (40 percent), and Sarmanovskiy (34.9 percent) Rayons and in Aznakayev (18 percent), Yelabug (17.2 percent), and Chistopol (16 percent).

At the same time, on the other hand, the privatization of housing is just creaking along in Buinskiy, Nizhnekamskiy, Apastovskiy, and certain other rayons.

Reports of the administrations of Kazan and Yelabuzhskiy Rayon were heard at the session. Only 5.2 percent of housing has been transferred to the citizens in the capital of the republic.

The commission instructed V. Pelevin, deputy chairman of the State Property Committee of the Republic of Tatarstan, and the management of the Tatzhilkomkhov

This report contains information which is or may be copyrighted in a number of countries. Therefore, copying and/or further dissemination of the report is expressly prohibited without obtaining the permission of the copyright owner(s).

Production Association to examine questions of payment for the maintenance of housing by the tenants and the amount of the state subsidy and taxes for privatized apartments.

It was decided at the next session to hear M. Dautov, general director of the Tatzhilkomkhov Production Association.

Tatarstan Privatization Concept Critiqued

944F1045.1 *Moscow SEGODNYA in Russian*
19 Jul 94 p 3

[Unattributed Article: "Concept for Second Stage of Privatization Developed In Tatarstan: Much Like Russian Version"]

[Text] At a press conference that took place in Kazan, the chairman of the RT [Republic of Tatarstan] State Committee on the Administration of State Property, Farid Gazizullin, emphasized that the introduction of nominal privatization deposits in Tatarstan as was promised by the Republic's leadership, did not have any discriminating effect on voucher use.

"Large-scale privatization" in Mr. Gazizullin's estimation, is proceeding in a normal fashion. In all, 600 large-scale enterprises have been privatized in Tatarstan, with total authorized capital of more than 620 billion rubles and a work force of 411,500. In the words of the chairman of the State Committee on the Administration of State Property, "Not one protest was made by any of the responsible bodies about the privatization plans we authorized." The formation of joint stock companies has been the predominant form of privatization of Tatarstan's large-scale enterprises. Work collectives received an average of 44 percent of shares in privatized enterprises. At this time nearly one million of the Republic's 3,000,700 residents have become shareholders in enterprises and investment funds.

The defense industry was a special item on the list of Tatarstan's large-scale industrial enterprises. Exact figures on the number of enterprises in the defense complex that have been privatized have not been given. However, it is known that the overwhelming majority of them presently remain state-owned. Nonetheless, in the words of Mr. Gazizullin, "all normal enterprises, including defense enterprises, will be privatized within the foreseeable future." In all likelihood, this will also apply to enterprises of the oil production and oil refinery industries: 55 percent of shares in "Tatneft" remain state owned, 46 percent in "Kazanorgsintez," and 45 percent in "Nizhnekamskneftekhim."

Matters are worse in the area of privatization of small-scale enterprises and housing. The problem lies in the fact that the majority of enterprises in trade, and consumer and food service industries in the Republic, with the exception of those that are very large, have been transferred to municipal ownership. At present 95 percent of the facilities remaining under state control have

been privatized, while those municipally owned are only at 15 percent, (the average throughout Russia is 60 percent). In the words of Mr. Gazizullin, under the direction of President Shaymiyev, a number of measures are being prepared now for the purpose of quickening the pace of "small-scale" privatization and bringing it up to the overall Russian level during the September-October time frame. Even more problems exist with housing: 4.7 percent of apartments have been privatized in Kazan; in Naberezhnye Chelny, 4.5 percent, while throughout the Republic the average is 8.4 percent.

The mechanism of nominal privatization deposits (IPV), when operating in full force, will most likely spur on the privatization process in Tatarstan. The program is already being realized today through fund stores, which now number 22 in the Republic. By the end of the year there will be 40.

At present twenty five percent of the IPV's have been realized by the population. The Tatarstan State Committee on the Administration of State Property, however, is convinced that this is only the beginning. But now the rules of the game have changed: A new privatization concept has been devised in Tatarstan. "We must move from mass privatization to searching for those who will really take charge," such was how the chairman of the Tatarstan State Committee on the Administration of State Property phrased the essence of the new concept. And this will mean that "to a reasonable degree, advantages for work collectives will be reduced, the State Committee on the Administration of State Property will be more discriminating in its approval of privatization plans, and efforts will be strengthened to search out investors outside of the Republic's borders. Authorities have intentions to create the same conditions for both state and private enterprises, and it will be compulsory for resisters to privatize, as it will be for those who are insolvent to declare bankruptcy. Judging by all appearances, legislation in the area of investment will become more liberal, and the State Committee on the Administration of State Property will receive broader powers. In general, according to Farid Gazizullin, the concept for the second stage of privatization in Tatarstan is very similar to that devised by the Russian State Committee on the Administration of State Property.

Economic Relationship With West Viewed

944F1156A *Kazan RESPUBLIKA TATARSTAN*
in Russian 2 Aug 94 p 2

[Interview with Linar Latypov, Tatarstan permanent trade representative in the United States, by correspondent Rustem Magdeyev in Kazan; date not given: "The Attitude Toward Tatarstan in the West Is Changing"]

[Text] Relations between our Republic and leading countries in the West are expanding. We have already informed readers about the opening of Tatarstan's trade office in the capital of the United States. Linar Latypov, the RT [Republic of Tatarstan] permanent representative

in the United States, was in Kazan the other day and was interviewed by correspondent Rustem Magdeyev.

[Magdeyev] Linar Nailiyevich, last year you began work as the permanent trade representative of the Republic of Tatarstan in the United States. What are the principal results of your activity?

[Latypov] The main result is that the organizational stage has been completed and the trade office is functioning successfully. The office was opened in the building occupied by the Russian Federation's trade mission in Washington. Diplomatic documents were received from the U.S. State Department, and all the conditions have been established for normal living and working.

[Magdeyev] Can you tell us about the mission's status in a little more detail?

[Latypov] As I said, the office was opened in the Russian Trade Mission in the United States. I think this proved to be a correct decision. First of all, by working as part of the trade mission, and accordingly, the Russian Embassy, Tatarstan's representative has diplomatic status, which significantly facilitates access to the numerous government and international organizations that function in Washington. Secondly, I have access to extensive analytical and informational materials of the trade mission on the economy and firms and companies in the United States. In order to negotiate with American business circles, I can enlist the help of experts and attorneys who are associates in the embassy and the trade mission. Their assistance and study of the characteristics of the American state and international and private business are significant and very important. The world of big business still does not know enough about Tatarstan, its economic potential, its culture, and the peoples living in the Republic. The lack of objective information on our Republic is felt keenly in the United States. Moreover, Tatarstan's image as "a separatist which is breaking Russia apart" was created by certain mass media in Russia. One of the objectives of our postpredstvo [permanent office] is to discredit these lies and to provide various types of information on events taking place in Tatarstan.

In meetings with businessmen, I tell them about the economic and scientific and technical capabilities of our Republic, the wealth of its mineral resources, its industrious people, its social and political stability, and the difficult path the Republic has traveled to affirm its statehood and economic independence, and I tell them about the advantages provided for foreign businessmen who organize collaboration with enterprises in Tatarstan. After all, our Republic has already passed a number of legislative acts to support them, such as the Law "On Foreign Investments." The fact that our prime minister, M.G. Sabirov, was in the Russian Government delegation visiting the United States also says a great deal. I was entrusted with preparations for this visit. This attests to the respect shown for the leaders of Tatarstan.

The opening of the Tatarstan mission in Washington confirms the fact that Russia is encouraging the integration of our Republic in the world economic community. It has taken an interest in this and wants to show the world that its components have the right, in conformity with signed interstate agreements, to develop their own foreign economic activity independently. Tatarstan serves as a kind of example in this regard. So the attitude toward our Republic is changing fundamentally on this level.

[Magdeyev] What other components of the Russian Federation have their own offices in the United States?

[Latypov] The Republic of Tatarstan is a pioneer here, you understand. There was no precedent for an individual component of the Federation being directly represented in the United States, and I sense that our experience is being studied both by the Russian central government and by other republics and the major oblasts and krais. As far as I know, negotiations are now under way to open a similar office for the Republic of Sakha-Yakutia in the Russian Trade Mission.

The American side is also showing considerable interest in our work. A certain alertness and curiosity associated with some articles in the press are developing into a sincere desire to seek paths for long-term collaboration and the study of models for working not only with the Russian central government but the regions as well. In turn, I patiently try to demonstrate that "a tree is as strong as its roots"—that aid and investments directly to the regions, Tatarstan in particular, will be to everyone's advantage—for our Republic, for Russia, and for the United States. It is gratifying that the Americans' attitude toward this problem is changing significantly. In the case of Tatarstan, its signing of the Treaty and 12 intergovernmental agreements with the Russian Federation have played a substantial role in increasing the Republic's international prestige, of course.

[Magdeyev] What does your daily work as the trade representative entail?

[Latypov] The work day traditionally begins by looking through the American press and special publications covering the latest events in American and world business. The materials of interest to Tatarstan are digested and sent to Kazan.

Work with incoming correspondence and responses to it, depending on the content, are both informational—in cases when it is necessary to give an American correspondent certain information on Tatarstan or to give enterprises in the Republic information on the United States—and operational—when it involves work under contracts or existing agreements or other bilateral documents.

An important part of the work is monitoring Tatarstan-American business agreements and projects. Contacts with the largest financial institutions—the U.S. Ministry

of Trade [as published] and government and private organizations involved with programs for investment and assistance to the CIS countries, the World Bank group, and others—are strategically important.

The establishment of cordial businesslike relations with them is not a very simple task; it requires painstaking work. It is gratifying that certain positive results have already been achieved.

[Magdeyev] What results, specifically?

[Latypov] As an example, good relations are being established with the U.S. Agency for Trade and Development. For the first time, the U.S. Government is directly earmarking about \$2 million for Tatarstan through this agency for the development of priority projects. Of course, on the scale of Tatarstan's economy the sum may not appear so significant; however, it seems to me that this act, from a political standpoint, also attests to the first shoots of the U.S. Government's recognition of the Republic of Tatarstan as a sovereign entity in the arena of high-level international business. By way of comparison, incidentally, our Republic has just as many projects under way in this agency as Ukraine does, for example.

What is noteworthy about this agency? It operates under the U.S. Government and provides financial aid without compensation in establishing the technical and economic feasibility for major projects in the field of extracting, transporting, and refining oil and gas, building power generation and communications facilities, and in converting enterprises of the military-industrial complex for medicine and the electronics industry. The agency enlists major firms and companies in the United States to implement the projects. Work jointly with this agency in four areas is now under way in Tatarstan. They include production renovation in the Nizhnekamskneftekhim AO [Joint-Stock Company] for deep oil refining, development of the project to apply the method of three-dimensional seismic stratigraphy in searches for deposits of "black gold" at the Tatneft base, development of the project to turn out modified new diesel engines and marketing of KamAZ [Kama Automotive Plant] vehicles in the American market, and the introduction of a new system of medical service at home in collaboration with the Tatarstan Ministry of Health.

[Magdeyev] Linar Nailievich, do you make use of representatives of the Tatar diaspora in organizing mutually beneficial trade and economic cooperation? After all, many of our fellow countrymen who live in the United States have extensive experience working in Western business and they enjoy prestige in business circles and the state structures.

[Latypov] Of course. As an example, I will cite cooperation with Mr. Orkhan Sadyk-Khan. His parents emigrated from Russia after 1917. Orkhan himself is the executive director of one of the largest corporations in the United States, Paine-Webber, and is sincerely providing assistance to our Republic during this difficult

time. The help given by Orkhan Sadyk-Khan in the work of our trade office is invaluable. We continually ask for his advice and consultation. We are now forming a Tatarstan-American Investment Fund, which will have the objective of attracting direct private investments in our Republic's economy. This idea has received the approval of his firm's management.

[Magdeyev] We often hear the opinion that we do not need trade offices with the economic problems we have. After all, don't the deductions to support them come out of our Republic's budget, which is meager as it is?

[Latypov] This is not a simple question. In order for us to come out of the difficult economic situation, it is impossible to resolve problems without good investments by foreign firms and companies. We need to buy highly productive advanced technologies. Without this, in my view, we cannot surmount all the difficulties in the transition to the market. And the trade offices in neighboring and more distant countries serve the purposes of efficient integration in the world economic community. The path of self-isolation and restriction without broad cooperation with leading foreign firms is a dead end. This is regrettably well-known from our history during the "iron curtain" period.

On the other hand, the trade mission's activity should be aimed at "procuring" funds for our Republic's economy.

It is generally known that the permanent offices cannot engage in commercial activity. This would be a gross violation of the standards of international law.

The only way of justifying the expenses to maintain the offices is by working efficiently with foreign business circles.

I think the expenses incurred by the Republic to maintain our permanent offices have been repaid tenfold by the help we have managed to obtain from the U.S. Government through the Agency for Trade and Development, which I have already mentioned.

Tatarstan Choice of Authorized Bank Viewed

944F1101A Kazan IZVESTIYA TATARSTANA
in Russian 27 Jul 94 p 1

[Article by Shamil Idiatullin under the rubric "Fact and Commentary": "The White Snow Leopard Is a State Symbol, After All..."]

[Text] The Edict of the Republic of Tatarstan President of 30 June On Certain Measures To Ensure the Effective Use of State Financial Resources instructed the Republic of Tatarstan Cabinet of Ministers to transfer the republic off-budget funds which were classified as state resources to accounts in the authorized bank. A government decree of 7 July (its official text was published on 13 July of this year by IZVESTIYA TATARSTANA, the only republic-wide newspaper to do so) designated the Ak Bars Bank as the authorized bank.

Given that the Republic of Tatarstan National Bank exists, this decision evoked a mixed response from banking circles and the community of the Republic of Tatarstan people's deputies. For this reason, we decided to revisit the topic and to try presenting the situation as completely as possible.

From the IZVESTIYA TATARSTANA files, *Ak Bars* was founded on 30 August; it received a license from the Central Bank of Russia on 29 November 1993. Its statutory capital comes to R2 billion. Its founders include the Tatneft joint-stock company, the Suvar joint-stock company, the Vostok watch plant in Chistopol, and others of the largest enterprises of Tatarstan. At present, the balance sheet of the bank comes to R12 billion. Its undistributed profit which will be allocated to augment the statutory fund comes to R3.7 billion. The bank engages in all types of banking operations, with the exception of foreign-exchange operations and services for the population. Correspondent relations have been established with a number of large banks in the Russian Federation (Tveruniversalbank, Inkombank) and the Republic of Tatarstan (Devon-Credit, Industrial Construction Bank).

Indisputably, Tatarstan, which by virtue of the established treaty relations holds a special position among the regions of Russia, can and should ensure the preservation of funds earned by its residents, preventing their dispersion or flight. The presidential edict and the decree of the Republic of Tatarstan Cabinet of Ministers confirm the seriousness of their intentions to put the use of financial resources in order. Consequently, the authorized bank must ensure the special-purpose economic programs of the government. The justification for the decision to concentrate all off-budget funds at a single bank is irrefutable. This begs the question—why was specifically Ak Bars selected to become this bank.

Because there is no other bank in the republic that would put all of its profits and assets at the disposal of the Republic of Tatarstan Government, answers Talgat Abdullin, chairman of the board of the bank. In his words, the Ak Bars bank is a state bank in terms of its essence and a commercial bank in terms of its status. Its proceeds are the property of the republic. This is what it was created for. So that this will not sound too communistic, Mr. Abdullin makes the reservation that the government of the republic, which takes care of the interest of citizens, will distribute these proceeds.

Notable in the edict is the ban on the use of the monies of state financial resources as deposit holdings and for other unintended purposes. The off-budget funds will thus be turned from the actual financial-commercial units into an instrument for the accomplishment of specific tasks such as they were originally conceived. The mobilization of these funds by a single bank makes it possible to use the obtained reserves primarily to ensure social protection.

The decree of the Republic of Tatarstan Cabinet of Ministers provides for the participation of an Ak Bars

representative in the meetings of the Republic of Tatarstan Government with the right to make reports on the issues of banks, credit, and investment, the familiarization of the bank management with draft documents on these issues, and the compulsory forwarding of economic and statistical information from the organs of state administration of the Republic of Tatarstan to the bank. This provides all conditions for Ak Bars to accomplish the initial task of becoming a mechanism to control the credit, finance, and investment policy of Tatarstan.

At present, the bank does not owe anybody anything, says Talgat Abdullin. We have not taken out a kopek in centralized or interbank credit. Moreover, the interest rate on credit extended by us is lower than the rate of the Central Bank of Russia—as of today, it comes to 145 percent. Besides, credit is also extended at an annual rate of 50 percent (for example, to the Yelabuga Automotive Plant), and even at 10 percent. However, this is naturally being done within the framework of programs developed by the government which have republic-wide significance.

A large effort in conjunction with the introduction of the bill-of-exchange system has been entrusted to the bank by the government. Bills of exchange worth more than R129 billion will be put into circulation. Their use should help in closing up some of the severed chains (for example, agriculture—processing—the trade sector—the energy complex) and resolving the issue of interrepublic nonpayments within a few months. It will be possible to use bills of exchange to cover contributions to the budget and off-budget funds. With a view to expanding the system throughout the republic, Ak Bars has already opened 21 representative offices in the cities and rayons of Tatarstan.

Talgat Abdullin believes that in the future Ak Bars will operate in close cooperation with, for example, the investment funds and the State Property Committee, by handing over a proportion of the state-owned block of shares for trust management to the relevant sectoral departments, and with the tax inspectorate, perhaps assuming some of the fiscal responsibilities of the government to ensure the completeness of control over the financial mechanism of Tatarstan's economy.

In turn, Yevgeniy Bogachev, chairman of the board of the Republic of Tatarstan National Bank, eagerly agreed to express his attitude toward the aforementioned edict of the Republic of Tatarstan president and less eagerly—the attitude toward its implementation by the Government of Tatarstan. Yevgeniy Borisovich observed that the concept of concentrating the monies of off-budget funds in a single bank is very good and makes it possible to resolve the issues of carrying out special-purpose programs, investing and extending credit to industry, and so on. The bank selected to be the authorized bank is another matter. Ak Bars is just being established; it has performed virtually no operations. The bank has no branches, and "representative offices" are a quite fuzzy

notion. Therefore, the emergence and development of the bank will be costly. Of course, if the creation of a bank has strategic objectives, it is worth the effort—provided that the republic can afford such objectives. At any rate, Yevgeniy Borisovich assured us that the Republic of Tatarstan National Bank does not feel jealous or wronged

EDITORIAL NOTE: *Therefore, the positions and rationale at the level of Tatarstan appear to be clear. It is interesting how (if at all) the leadership of the Russian Federation Central Bank will respond to the decision of the Republic of Tatarstan Cabinet of Ministers to make a commercial bank, even if such is to be only in a technical sense, an authorized bank of the state*

Tatarstan Adopts Decree on Environment

944F1148A Kazan RESPUBLIKA TATARSTAN
in Russian 30 Jul 94 p 2

[Report by R. Rashit: "In the RT [Republic of Tatarstan] Cabinet of Ministers"]

[Text] The Tatarstan Cabinet of Ministers has adopted Decree No. 322 "On improving the mechanism for calculating, collecting, and utilizing the payments for pollution of the environment."

This document confirms the statutes "On the procedure for calculating and collecting payment for polluting the environment in the territory of the Republic of Tatarstan" and "On the procedure for directing the assets of natural resource users to the Ecological Fund of the Republic of Tatarstan and its local branches." The decree confirms the new wording of the statutes "On the Ecological Fund of the Republic of Tatarstan" and "On the procedure for concluding contracts to carry out environmental protection measures."

The Ministry for Protection of the Environment and Natural Resources of the Republic of Tatarstan and the executive board of the RT Ecological Fund are responsible for overseeing implementation of the decree.

Tatar Decree on Representative, Executive Organ Reform

944F1148B Kazan RESPUBLIKA TATARSTAN
in Russian 30 Jul 94 p 2

[Text of "Republic of Tatarstan Supreme Soviet Decree On the Concept of Reforming the Representative and Executive Organs of the Republic of Tatarstan" issued in Kazan 21 July]

[Text] After hearing and discussing the report by Z.R. Valeyeva, first deputy chairman of the Supreme Soviet, "On the concept of reforming the representative and executive organs of state authority of the Republic of Tatarstan," the Republic of Tatarstan Supreme Soviet decrees:

1. That the Concept of reforming the representative and executive organs of state authority of the Republic of Tatarstan is approved and is to form the basis for drafting laws on reform of the Republic of Tatarstan's representative and executive organs of state authority.

2. The Presidium of the Supreme Soviet and the President of the Republic of Tatarstan are instructed to draft the following laws:

"On introducing changes and supplements in the Constitution of the Republic of Tatarstan in connection with reform of the representative and executive organs of state authority";

"On the election of people's deputies in the Republic of Tatarstan";

"On local organs of state authority and administration";

"On the election of local representative organs of authority"; and

"On local self-government."

3. The draft laws on reforming the Republic of Tatarstan's representative and executive organs of state authority are to be introduced at the Supreme Soviet Presidium in September 1994.

[Signed] Chairman of the Supreme Soviet of the Republic of Tatarstan
F. MUKHAMETSHIN

Tatar Decree on Unemployment Benefits

944F1148C Kazan RESPUBLIKA TATARSTAN
in Russian 30 Jul 94 p 2

[Text of "Republic of Tatarstan Cabinet of Ministers Decree on the Ritual Allowance"]

[Text] In order to strengthen the social protection of unemployed pensioners and their family members, the Cabinet of Ministers of the Republic of Tatarstan decrees:

1. That the amount of the ritual allowance for burial of a deceased pensioner who was unemployed, which was stipulated by Russian Federation Law No. 5624-1 of 13 May 1993 "On changing Article 1 of the Russian Federation Law 'On the ritual allowance'", is to be based on the minimum wage established in the Republic of Tatarstan.

2. That the Republic of Tatarstan Ministry of Finance and the branch of the Russian Federation Pension Fund for the Republic of Tatarstan are to seek the funds for payment of the ritual allowance in the amount established.

[Signed] Prime Minister of the Republic of Tatarstan
M. SABIROV
Chief of the Cabinet of Ministers Secretariat of the Republic of Tatarstan

This report contains information which is or may be copyrighted in a number of countries. Therefore, copying and/or further dissemination of the report is expressly prohibited without obtaining the permission of the copyright owner(s).

M. MINGAZOV

Balkar Council Calls for Independent Republic

944F1076A Moscow NEZAVISIMAYA GAZETA
in Russian 19 Jul 94 p 3

[Article by Natal'ya Pachegina: "The Balkars Need Balkaria: But Not From the Hands of the Kabards"]

[Text] It appears, the practice of the federal law "On the Rehabilitation of Repressed Peoples of the Russian Federation", which has been applied not too successfully on the borders of North Ossetia and Ingushetia, in Kabardino-Balkaria, whose leadership already for a number of years has been worried about the problem of the restoration of Balkar statehood, may lead to a still more grievous experience than what is taking place.

In March of this year, during the days of festivities on the occasion of the 50th anniversary of the forced expulsion of the Balkar people, the president of the Kabardino-Balkaria Republic, Valeriy Kokov, published an edict on the restoration of the administrative-territorial rayons of Balkaria that existed at the moment of the deportation of the Balkar people in 1944. But, as it turned out, the edict of the president of the Kabardino-Balkaria Republic was only an effective "detail" in the holiday ceremony, since the Chegemskiy, Kholamskiy, and Cherekskiy rayons of the Republic, in whose territory Balkar statehood was concentrated, were simply not declared to be national rayons, and the edict was recalled and, it seems, was dissolved in the high offices of Nalchik. The National Council of the Balkar People (NCBP), established in November 1991 by a congress of the Balkar people, is appealing to the Russian public, believing that in the Republic, in whose name the names of the Kabard and Balkar peoples are represented, the latter not only does not have its own statehood, but is also hurt by the fact that it is compelled to beg for this from what, in its perception, is an equal people. According to the assertion of the NCBP leadership, discrimination in regard to the Balkar people, which has been carried out by the Republic authorities for a number of years, can entirely be assessed as the policy of the leadership of the Kabardino-Balkaria Republic. At the federal level, the "infringement of rights", the NCBP leaders believe, is expressed by the fact that the funds from the budget of Russia that find their way to Nalchik in fulfillment of the decree of the government of the country "On the Socio-Economic Support of the Balkar People" are not being used by the Republic leadership as designated. According to data for 1 July 1994, only 600 people out of the 70,000 to 80,000-strong Balkar people of the Republic have received material compensation in the amount of R500,000. Many of the repressed did not turn up in the archive lists, and this makes the receipt of state compensation by them more difficult. The Republic authorities, so the assertion in the NCBP, are in no hurry to correct the situation. The Balkar people is practically not represented in the state organs of administration of

the Republic. In the legislative, executive, and judicial branches of power, in the law enforcement system of the Kabardino-Balkaria Republic (the Republic OMON [Special Purpose Militia Detachment], which is composed of Kabards to the extent of 90 percent (the people call it the "Kabard Guard"), fellow-countrymen of the president occupy the leading posts. Against the background of glorification of the leadership of the Kabardino-Balkaria Republic, the Republic mass media, it is stated in a letter of the NCBP press service addressed to NEZAVISIMAYA GAZETA, accuse the public organization of the Balkars of attempts to seize power and to destabilize the socio-political situation. These accusations in many respects are addressed also to the NCBP leader, Sufian Belpayev. In so doing, certain opponents of the Balkar council in the Congress of the Kabard People, in particular the former president of the Confederation of the Peoples of the Caucasus, Musa Shakibov, according to the NCBP leaders, allegedly allow themselves to express the opinion that the Balkars belong to those people which "are in need of repression." The NCBP categorically rejects accusations of separatism; it needs its own statehood on one-fifth of the territory of the Republic, but not beyond its boundaries.

Appealing to Russian public opinion, the NCBP emphasizes that its people, as regards its existence outside Russia, is counting on the support of Moscow in the question of the transformation of the Balkar people into an equal subject of the Federation.

Conflict Between Karachay-Cherkess Leaders Takes on Nationalist Tones

944F1093A Moscow NEZAVISIMAYA GAZETA
in Russian 21 Jul 94 p 3

[Article by Natalya Pachegina: "The 'Russian Card' Inside the Karachay-Cherkess Republic: Attempts To Impart a National Character to the Conflict Between Two Leaders"]

[Text] Karachayevo-Cherkesia, which usually elicits from Moscow officials the question "Where is it?", is one of the few republics in the Northern Caucasus that is firmly holding onto the reputation of a republic of "ethnic harmony." Not only has it been untouched by the powerful migration processes of the region (according to information from the RF Federal Migration Service not a single departure of a family of Russians or of other citizens of the Russian Federation from the Republic was documented in the department's central archives over the course of the last few years), but also the entire multinational population of Karachayevo-Cherkesia is proportionately represented in republican government structures, in a way observed in no other Northern Caucasian republic. Thus, according to a report from the Council of Ministers of the Karachay-Cherkess Republic the ethnic composition of its executive body is 11 Russians, 8 Karachays, 4 Cherkessians, 3 Abazins and 3 Nogays, in which case 6 of the Russians head key departments of the Karachay-Cherkess

Republic—the Ministry of Internal Affairs, the FSK [Federal Counterintelligence Service] and the ministries of economics, finance, industry and agriculture. Members of the directors' corps and bank executives, who managed to hold onto their posts in the years of perestroika, don't possess the aquiline profile of mountain men either, although they have displayed Caucasian stubbornness—if not in multiplying the riches of the land, then at least in a certain influence on its economy. The legislative body of the Republic—the Popular Assembly—is also comprised of “people with faces showing evidence Caucasian nationality” and Russians.

However, neither the national origins of the republican leadership nor the alleged infringement of civil rights of Russians in Karachayevo-Cherkesia are “a cause of aggravation of the political and social situation in the Republic.” Contrary to the assertions of the “mass”—as it likes to call itself—public movement in the Republic named “Rus,” it (the aggravation) is simply nonexistent. But alarm is there, suggested from the experience of Moscow, which had already endured a conflict between executive and legislative authorities involving an enormous number of actors. It may be that from someone's point of view the internal “sorting out” that is occurring in the capital of the Karachay-Cherkess Republic might even appear to be a parody of the great Moscow scandal, but to citizens of tiny Cherkesia, despite mass impoverization and the decline of agriculture and industry, which just recently were in a stable state of wretchedness, this conflict takes the form of a universal tragedy, proceeding, in the suspicions of the most insightful citizens of Karachayevo-Cherkesia, under the direction of the federal government. Thus, we know that the conflict between the two top men in the Karachay-Cherkess Republic—Vladimir Khubiyev, the head of the Republic and chairman of the Council of Ministers, and Viktor Savelyev, the “skipper” of the Popular Assembly—is being carefully followed by the administration of the Russian president. It was from there that in spring of this year, a prescription was communicated to Cherkessk to “neutralize” the Supreme Soviet of the Karachay-Cherkess Republic, which, at the admission of local observers, little resembled an effective structure even then. To Supreme Soviet chairman Savelyev this was a second warning signal. The first was when nomination of a certain leader to the RF Federal Assembly in December of last year clearly demonstrated his popularity. This was Khubiyev, a native of Karachay, who won in the first round, including in purely Russian electoral districts in the Republic. This act concurrently demonstrated the inacceptability of another—the Russian Savelyev. After some “bargaining” that obviously occurred between the rival leaders, the conflict abated for awhile, and each of the contestants received something for himself, though of course without the help of the announced but soon rescinded parliamentary elections: One got the chairman's seat in the Popular Assembly, which had been transformed by the deputies themselves out of the Supreme Soviet, and the other got the post of

head of the Republic and chairman of the Council of Ministers—so as not to traumatize the minds of fellow citizens who took a stand against introduction of the institution of the presidency into the Republic. In this case Khubiyev was able to “fill” his title with “presidential” content, such that his powers in the legislative area and to some part in the executive area (in the present absence of a constitution in the Republic) extend boundlessly.

Today the interpersonal conflict in the highest spheres of Karachayevo-Cherkesia has entered a new stage, and as is commonly observed in the circles of the Russian political elite, the conflict has proceeded without ethnic overtones. On the backdrop of mutual threats of making public some sort of compromising information about each other in Moscow, proclamations and resolutions from Cherkessk make their way to Staraya Square. Their author—the “Rus” republican movement, which is fighting to free the “orthodox” from the yoke of the heterodox. The messages claim oppression of Russians and Cossacks in Karachayevo-Cherkesia. Construction of a mosque in the stanitsa of Zelenchukskaya, where for the last 40 years Karachays, Cherkessians and Abazins have been living well (though not all too well, because local Moslems did not have their own place of worship) together with Russians and Cossacks, is considered to be one such act of “oppression.” The extraordinary “Rus” congress held in early July also believes the “strange” reluctance of republican authorities to separate the Republic's Batalpashinskiy Rayon into an independent administrative unit to be a discriminatory measure. Together with Urupskiy and Zelenchukskiy rayons (the location of industrial gold, copper and tungsten mining. Gorbachev's former residence of Arkhyz isn't in last place among the natural gems of the world either) it was supposed to be transferred to the administration of the local Russian population, or as was discussed back in 1992, it was to be placed within the composition of Krasnodar Kray. Today, asserting that removal of a presumptuous police official from his position or criticism of Russian officials are in fact infringements against Russians, “Rus” is now demanding introduction of direct presidential rule over the territory of the Karachay-Cherkess Republic and removal of Khubiyev from his post as head of the Republic. Referring to the situation in the Republic as extraordinary, the “Rus” congress of the same name is waiting for ataman Martynov from the Cossacks' Union to transfer a quick reaction brigade of the Kuban Cossack Forces to Cherkessk by his order. In the meantime “Rus” is clearly recommending to citizens of Karachayevo-Cherkesia that they not participate in political and public measures initiated by the authorities of the Republic. While it is addressing its appeals to all Moscow politicians presently in power, at the same time according to a resolution of the movement's extraordinary congress “Rus” is to retain the right to implement measures to form bodies of government in Karachayevo-Cherkesia's Batalpashinskiy Rayon.

Kazan Official on Fight Against Crime

944F1075A Kazan KAZANSKIYE VEDOMOSTI
in Russian 26 Jul 94 p 4

[Interview with Colonel of Militia N. Akbarov, chief of the City Administration of Internal Affairs, by A. Malakhaltsev; place and date not given: "N. Akbarov: 'The Path We Have Chosen Is Correct'"]

[Text]

[begin box]

Nurgayan Gayanovich Akbarov. Born in 1950. After finishing school in Mamadyshskiy Rayon and service in the army in 1970, he came to the organs of Internal Affairs. He began his service in the Baumanskiy ROVD [Rayon Department of Internal Affairs] in the post of a militiaman. After graduating from the Yelabuga Militia School, he was in operational work in criminal investigation. In 1978, he was in the MVD [Ministry of Internal Affairs]; Criminal investigation inspector, chief of the section concerning the affairs of minors. From 1948, he was the deputy chief of the department of the Kazan UVD [Administration of Internal Affairs] for the exposure of grave crimes, chief of criminal investigation, and deputy chief of the UVD. Last year he headed the City Administration of Internal Affairs. He is married. Two children. He has government decorations.

[end box]

A year has passed since the time of the adoption by the Supreme Soviet of the Republic of the Law on Extraordinary Measures in the Fight Against Crime in the Republic of Tatarstan.

How much did this law prove of value in Kazan?

With this question, our correspondent started the interview with Colonel of Militia N. Akbarov, chief of the City Administration of Internal Affairs.

[Malakhaltsev] As is known, you can now keep a person in custody for 30 days. What is the contingent of those in custody like?

[Akbarov] More than half are unemployed, one-sixth are workers of cooperatives and commercial structures, 167 were previously convicted, and 30 of these are repeat offenders. According to age, half of those in custody are from 19 to 25 years old, and the rest are from 25 to 40 years old. We arrested 20 gangleaders of organized groups. They are under investigation, and they will be punished.

It is not an easy matter to bring criminal charges against them. To do this requires sufficient evidence. The fact alone that members and the leaders of criminal groups whom we know dress well and have foreign cars is insufficient for an arrest. Many of them are sensible people, and some have a higher education. Some have good legal consultants and, in addition, they themselves do not commit crimes—they organize them. But it is

only possible to prove this, according to the 1961 criminal code in effect, with an admission by the crime organizer himself and, indeed, he must be exposed by accomplices.

[Malakhaltsev] Is there a mafia in Kazan?

[Akbarov] We do not possess such information. But there are organized criminal groups.

[Malakhaltsev] There was a time when Kazan criminal youth groups regrettably made our city famous throughout the country. Are they active now?

[Akbarov] The problem of the "Kazan phenomenon" or group crimes by minors is not as critical today as it was before. Although we have more than 60 youth groups on our books. But, on the whole, crime has gotten younger. One-fifth of the crimes are committed by juveniles.

[Malakhaltsev] What kinds of crimes are these?

[Akbarov] Mainly hooliganism—beating up contemporaries and group squabbles (there were 24 of them last year, and this year, seven), but there are also robberies—sports clothes, sneakers, and caps, and there are rapes and two cases of murder.

[Malakhaltsev] Is the tie between youth groups and adult organized crime being investigated?

[Akbarov] They know each other in every micro rayon; for example, in the settlement of Mirnyy, but criminal ties between them are not under review.

[Malakhaltsev] The question of revising the criminal code came to the forefront a long time ago. In your opinion, what is it necessary to change in it, and have proposals come in on this score from our law enforcement organs?

[Akbarov] This is a very sore point, and thank you for asking the question. We have been saying for a long time that the criminal and the criminal procedural codes need a revolution—almost everything has to be changed.

Here are several examples. Today, different punishments await a thief who broke into an apartment and a thief who stole a car.

[Malakhaltsev] Although, in fact, the crimes are similar...

[Akbarov] That is exactly the point. Incidentally, even prison is not stipulated for stealing a car! By the way, in Uzbekistan, without waiting for a new criminal code, the punishment for the theft of a car was doubled, and this crime stopped being the number one problem for this republic as it was before this.

Or take another question. In our country, a criminal under investigation is reliably protected by the law—he is assigned a lawyer, in one way or another an examining magistrate takes part in his fate, and an arrested person is fully provided for while in temporary custody: He is fed, dressed, provided shoes, and led to the bathhouse.

But the victim and the witness remain without protection on the part of the law. And the examining magistrate, loaded up with criminal cases, does not have the time, nor the resources, to ensure their safety.

The gravest crime, of course, is murder. But when an apartment is broken into, the owner is tied up and is threatened with a weapon, and his property—which was acquired over the years and with honest labor—is taken away before his eyes, is this really also not a very grave crime? I am convinced that for the material and moral damage in this case, the criminals should bear a more severe punishment than is the case now.

For the time being, the law enforcement organs will not have the appropriate rights and sanctions for the fight against criminals, and success will not be achieved in it. That is why, in generalizing the experience of the rayon administration of our UVD and of the militia of other cities of the republic, the MVD prepared and submitted to the Supreme Soviet of Tatarstan a whole package of proposals on the protection of the rights and interests of victims and witnesses that stipulate an increase in the gravity of punishment for apartment thefts, robberies with beatings, and other crimes. And it must be said that the necessary changes to criminal legislation are supported by the president and the government of the republic.

[Malakhaltsev] The president of Russia recently issued an edict on the protection of the population against gangsterism and other manifestations of organized crime. It was met by the public with ambiguity. But how do you assess it?

[Akbarov] Positively. I think that he has even been somewhat late. The edict has good features, even in comparison with our republican law.

Here is just one example. Before the institution of criminal proceedings, we did not have the right to conduct expert analysis, including financial analysis. But, after all, without this it is impossible today to understand the affairs of commercial structures associated with criminal elements, it is impossible to expose an affair if it exists. Just as it is impossible to track counterfeiters in the event of the discovery of counterfeit notes.

[Malakhaltsev] But, according to this edict, it will be possible to conduct expert analysis before the institution of criminal proceedings?..

[Akbarov] Exactly. And according to its findings, if necessary, it will be possible to institute criminal proceedings.

[Malakhaltsev] But it is not just a matter of expert analysis. What causes many to protest is that, before the institution of criminal proceedings, it is possible to conduct searches, confiscate documents, and so forth. Of course, if it is a question of criminals, these actions will be for the good of society. But, after all, it is not ruled out

that people will fall within the orbit of operations of the law enforcement organs who are honest, and then their rights will be violated.

[Malakhaltsev] However, slander out of jealousy or selfish purposes is also possible. And so: Does the militia conduct a search after receiving a tip from a "well-wisher?"

[Akbarov] We will not do this without studying the personality of a person who was reported to us as being a lawbreaker or criminal.

[Malakhaltsev] Here in Tatarstan, and now in the Russian Federation, the right of the militia to hold a citizen in custody for 30 days, which contradicts the constitution and judicial norms adopted in the civilized world, is evoking sharp criticism.

[Akbarov] In an analogy with what was said earlier, I can note that here also it is only a question of those who are suspected of committing grave crimes and gangsterism.

[Malakhaltsev] How many people are now held in custody in the Kazan temporary detention facility? And what for?

[Akbarov] I can say that all of them are being held under the suspicion of having committed grave crimes.

[Malakhaltsev] What is it like to be in custody?

[Akbarov] They are in separate cells of four to six persons each. They have everything that is necessary: food, water, a bed.

[Malakhaltsev] Will they now be held for a month, or will some be released earlier? If yes, then on what grounds?

[Akbarov] Everything depends on the personality of the person in custody, his acts, and his behavior in the investigation. If he gave truthful evidence and assisted the investigation in exposing crimes, then in a majority of cases he will be released in 10-15, or 20 days.

If one tries to forecast the criminogenic situation in the city, then it is obvious that an increase in crime is inevitable, as long as there is no stability in the economy and the stratification of society into the rich and the poor increases. All of this is aggravated by the imperfection of legislation. The financial confusion creates favorable conditions for all kinds of machinations. Owing to it, some commercial structures can take credit at the bank and disappear with it forever. We will add to this also that, with the collapse of the USSR, the organization of the CIS, and the emergence of "hot spots" in a number of regions, firearms have started to enter into Tatarstan and Kazan. They also come from nearby Izhevsk from the small arms plant. An automatic weapon can be routinely assembled from stolen parts. This is alarming, and especially that the number of grave crimes—murders—is great. Even contract murders are already being committed.

And one more fact is causing us alarm—this is the closing of the medical and labor treatment clinics (LTP) by order of the Russian president.

[Malakhaltsev] But why were the LTP's closed?

[Akbarov] There is no justification for this decision. But it deprives us of the possibility of treating alcoholics, whose number is growing, and protecting society from them. It must not be forgotten that they can easily become a weapon in the hands of criminal elements. But we cannot hold drunkards and street people in custody for more than 10 days, and this is almost with their concurrence.

I think that the decision on closing the LTP's is a mistake.

And of course, we must bring order to our own home. To our disgrace, militia employees are also among the lawbreakers. At times, the mass media exaggerates these facts, and it turns out that we are almost cultivating these subjects in our ranks. But, after all, not one of them, as a matter of fact, goes unpunished.

[Malakhaltsev] In order not to create the wrong impression, each of these cases, and, what is most important, the punishment for these lawbreakers, should probably be reported in the press and on radio and television in a timely way.

[Akbarov] We are trying to do this. I am able to report to the readers of your newspaper today that in the course of the first six months, 450 employees of the city's militia were punished for the violation of service discipline and misdemeanors outside the service (for the same period last year, there were 360). Sixty-six files on employee misdemeanors have been examined in courts of honor. Two persons were charged with criminal responsibility for crimes. M. Gabdulhamirov, magistrate examiner for the Leninskiy Rayon Administration of Internal Affairs, was sentenced to prison for five years for taking bribes; Yu. Barmaleyev, a magistrate examiner of the Sovetskiy Rayon of the Administration of Internal Affairs, was given a two-year sentence with a reprieve for the loss of a criminal case. At the present time, the Supreme Court is examining a case concerning the abuses of one of the former leaders of the Moscow Rayon Administration of Internal Affairs.

Militia subunits are resolutely banishing those from their ranks who do not treat the service conscientiously, who break discipline, and who commit misdemeanors and crimes. In six months of this year, 87 employees were discharged.

The main aspect of our work is solving and preventing crimes. In comparison with last year, their solution increased by 20 percent. According to this index, Tatarstan is among the first five regions.

And, undoubtedly, this was prompted by the timely adoption of the comprehensive program for fighting crime in both the republic and the city, including the law on extraordinary measures.

[Malakhaltsev] What do you think, was Tatarstan's experience in the fight against crime taken into account by Russian President B. Yeltsin in his preparation of the edict on gangsterism.

[Akbarov] I think so. The Russian MVD had all of the documents that summarize this experience. Employees of this ministry came to us. Minister of Internal Affairs Viktor Fedorovich Yerin visited Kazan and Naberezhnyye Chelny, together with B. Yeltsin. Yerin approved the measures being taken by us in the fight against crime, and he emphasized that we surpass many other regions of Russia in this respect. And our minister, Iskander Galimzyanovich Galimov, reported on our experience at a meeting of a committee of the Russian Federal Assembly.

So, the path we have chosen is correct, and we hope that it will help bridle the criminals and create normal safe conditions of work and rest for the people, without which we will not be able to overcome the economic and political crisis and build a civilized society.

Nizhniy Novgorod Economy Reported to Worsen

944F1008C Moscow SEGODNYA in Russian
14 Jul 94 p 3

[Article by V. Chebanov: "Nizhegorodskaya Oblast Economy in Sad State: Legislators Full of Enthusiasm To Work On It"]

[Text] The state of the economy in the Nizhegorodskaya oblast continues to worsen. The drop in the volume of output compared to last year was 39.1 percent. The rate of profit growth fell by 15 percent, and the backlog of wages increased tenfold.

Production of agricultural products has also fallen. Compared to last year's levels, production reached only 88 percent for meat, 82 percent for milk, and 85 percent for eggs. In comparison with kolkhozes and limited liability partnerships, the situation in the private sector is somewhat better.

Along with the overall decline in the economy, the population's standard of living continues to fall. Presumably, unemployment in the region will peak at the end of this year.

Such was the disturbing information presented at an hour and a half-long conference held by Nizhegorodskaya oblast legislators.

"However," remarked the chairman of the oblast legislative assembly, Anatoliy Kozeradskiy, at a press conference, "this year a quite capable collective body of legislative authority has formed. Unlike the 250 deputies of the former soviet, the assembly has only 32 people. Instead of the former 18 commissions, 9 committees and one commission have been formed. We feel strong." Mr. Kozeradskiy assured journalists, "In our principality we are working with confidence."

During three months of work the legislators signed more than 50 normative acts. After one reading they adopted a law on the oblast's budget for 1994. True, the latter contains a 20 percent deficit. Mr. Kozeradskiy explained: "We are not mistaken, we intend to correct the budget"

The chairman logically thinks the authorities' biggest achievement of the year would be to minimize the economic decline.

Indinok's Travels Through Oblast Reviewed

944F1133A Novosibirsk SOVETSKAYA SIBIR
in Russian 29 Jul 94 p 1

[Report by N. Tsarev: "I. Indinok's Tour of the Oblast"]

[Text]

Through Eastern and Southern Rayons

As already reported, the head of the oblast administration I. Indinok is again touring the oblast. This time he is visiting the eastern and southern rayons. On the agenda are comprehensive evaluation of the state of the territories and identifying promising directions for developing production and sociocultural spheres.

It should be mentioned that purely agricultural topics do not get full priority. Live communication with the people in production collectives of different kinds, in most informal everyday situations, provide an objective perception of the state of affairs.

The head of the oblast administration is interested in many things. There are places he considers mandatory to visit. In Toguchino he was deeply impressed by a visit to a kindergarten. In Maslyanino Ivan Ivanovich had a brief but substantive conversation with the St. Nicholas church dean, Reverend Viktor Pavlov.

Not everyone would take the risk of traveling the route from Toguchino to Maslyanino via Yegoryevskoye. Ivan Ivanovich did. And everything would have been fine had the wheels of his Ford not failed on the taiga road. The car arrived at Maslyanino at about 2200, but even at this late hour business meetings continued: Ivan Ivanovich had a meeting with Petr Hoji Ogly, general director of the Serebrenniki Marble AO [joint-stock society].

Next morning, after a brief planning meeting in the Maslyanino rayon administration, meetings resumed. Having toured the rayon hospital, I. Indinok, accompanied by specialists, visited an aqueduct under construction on the bank of Berdi River. Maslyanino has an acute problem with the drinking water supply. The existing well has been completely worked out; the water quality is below any acceptable standards, but finishing construction would require an additional R54 million.

The guests spent considerable time in the Salair agrofirma. The firm has meat and flax processing capacities. They have their own vegetable oil production plant.

And, of course, the pride of Salair residents—miniature meat processing combines with the full cycle of livestock processing. The head of the rayon administration, Petr Tyutyunnik, and the agrofirma's director, Stepan Len, were on hand to provide explanations.

I. Indinok toured a farm in the firm's second unit, where livestock is fattened to the saleable weight of 450 kg. Here Ivan Ivanovich talked to animal breeders and mechanics about current affairs, as well as social and everyday problems in the countryside.

In a number of rayon villages the guests from the oblast administration inquired about trade sector problems and talked to clerks and customers in both rural consumer cooperative stores and commercial stores, as well as points of sale affiliated with some agricultural and industrial enterprises.

Yuriy Shmal, chairman of the Maslyaninskoye AO, described its operations. He showed the visiting specialists the local bakery, butter- and cheese-making production lines, and a greenhouse. Along the way, Ivan Ivanovich talked to a group of forced resettlers from Kyrgyzstan and asked how they were doing in the new place.

On Tuesday after lunch, in Maslyaninskoye AO's recently built house of culture, the head of the oblast administration met with rayon specialists and leadership. They discussed the ways of jointly searching for a way out of the current economic situation in the country, oblast, and on the local level; the state of preparedness for the grain harvest; and stocking up fuel for the winter.

Next followed brief trips to Maslyanino forestry unit, municipal services' production facilities, a joint Russo-American enterprise—the beer brewery Leokor, and the Maslyaninskiy AO cheese plant, which makes a variety of dairy products.

At the local brick-making plant, which is now a joint-stock society, I. Indinok and his entourage from the oblast administration were given a detailed overview of the environment the enterprise provides for its workers and specialists. The stockholders have at their disposal a preventive health care facility, a small bakery, a store, a greenhouse, auxiliary services, and many other things. With the help of German friends, the plant builds excellent two-story cottages for its employees. I will try to describe what I saw in more detail in the follow-up material after the trip. Meanwhile, the trip continues.

Early Wednesday morning I. Indinok began work at Cherepanovskiy Rayon farms.

The Cherepanovo Encounters

Wednesday morning, at the border of Maslyaninskiy and Cherepanovskiy Rayons, Ivan Indinok and the specialists accompanying him in the tour of the oblast were met by the head of Cherepanovskiy rayon administration,

Georgiy Ivashchenko. Warm greetings; a brief planning meeting right on the road shoulder, and back to the cars.

Literally a few kilometers later—the first stop on Cherepanovo soil. In Ogneva Zaimka village, the head of the oblast administration visited the construction site for a district hospital. The construction of this much needed health care facility has been suspended, though. First, construction workers are busy finishing the Novovoskresensk secondary school. Second, there is no money (R570 million is needed).

Actually, the guests also visited the Novovoskresensk school construction site on that day as well. This facility also needs money and a lot of effort in order to enable 135 rural children to begin the school year in new buildings on 1 September. Ivan Ivanovich did not promise anything anywhere, but the administration will, of course, monitor attentively these two construction projects.

The conversation with Cherepanovskiy rayon's chief physician, Yuriy Kim, revolved around the situation in Bezmenovo village, where increased population morbidity had been registered.

And another meeting that was directly related to people's health—this time children disadvantaged since the very first days of their life: Cherepanovo's specialized orphanage for children with defects of the central nervous system and with deviated psyche. Ivan Ivanovich talked to this institution's personnel about the conditions of their work and problems in children's life.

"I have worked here for more than 40 years, but this is the first time I have seen the head of the oblast administration showing an interest in our affairs and visiting us," said pediatrician Iraida Konyukhova.

In the nearby orphanage, the conversation with teachers and administration revolved around the fate of its graduates. Unfortunately, there was no opportunity to talk to the children—they are currently spending the break in a summer camp.

On the same day the head of administration had several meetings in production collectives.

The rayon electric grid. In this organization the guests were told of the progress in implementing automated control systems.

Specialists in the Posevnoye OPKh [experimental-demonstration farm] showed in operation the active-ventilation systems used for laying in rough fodder and in covered warehouses for storage of rolled hay. By the way, the rain that came out of nowhere closer to the evening reminded once again of the utility of "all-weather" hay-laying methods. Grigoriy Piven, director of the Cherepanovo fur-farming sovkhov, told the guests of the difficulties the enterprise had experienced. They have gone through an extremely difficult stage in rejuvenating the herd. Today the sovkhov has 60,000 animals, mostly mink and silver fox.

At the Medvedskiy horse-breeding farm the guests were told of pure-blooded and thoroughbred horses and their achievements at various level competitions; the guests sampled the farm's product—fermented mare's milk, and saw the process of mechanized milking of animals. The guests visited the horse-breeding museum at the farm.

As you can see, the head of the administration's sphere of interests in his trip is very extensive. It is practically the entire range of the rayon's life. I. Indinok's remarks in his interview to the press are indicative:

"I would rather not do a traditional summarization of what we saw: This one is doing well, and this one is not... There is too much whining going on these days. I had to see for myself and convince others that in the current difficult conditions we can cope with many problems."

The most notable confirmation of his wish may have been, in my opinion, the meeting with workers and engineers at the Posebnino AO machine-building plant. This enterprise found itself in a difficult financial and economic situation. The defense sector turned its back on it, but the enterprise gained a new life. Together with the Urals machine-builders it continues to make, on the basis of a powerful automotive chassis, high-power fire engines, for which there is a demand, and their modifications. Together with the Chinese, the plant began setting up production of minitractors and is already doing concrete preparation work.

The guests had an opportunity to see the advantages of minitractors by watching them work in the field: The little steel laborer, which today costs R3 million, plows and tills the soil, mows grass, can hill up the plants, and do many other operations.

Perhaps it is these sprouts of the new that the trip was all about.

By nightfall on Wednesday I. Indinok arrived in Suzunskiy Rayon, where the trip will resume Thursday morning.

Decree Implementing Statute Raising Taxes

944F1099A Novosibirsk *VECHERNIY NOVOSIBIRSK*
in Russian 25 Jul 94 p 6

[Decree No. 996 of Novosibirsk Mayor V.A. Tolokon-skiy, dated 19 July 1994: "Decree Amending and Supplementing the Statute Raising the Tax for Maintenance of the Housing Stock and Social and Cultural Service Facilities"]

[Text] In order to further improve the city's tax system on the basis of the RF [Russian Federation] Law on the Bases of the Tax System in the Russian Federation and the RF president's decree dated 26 October 1993 "On Reform of Local Self-Government in the Russian Federation," I hereby DECREE:

1. The Statute Raising the Tax for Maintenance of the Housing Stock and Social and Cultural Service Facilities (appended to the mayor's Decree No. 8, dated 11 January 1994) shall be amended and supplemented as worded in the appendix.

2. This decree shall take effect 1 July 1994.

3. Follow-up on execution of this decree shall be the responsibility of the department for the economy of the mayor's office and the State Tax Inspectorate for the city of Novosibirsk.

Tax Decree Addendum

944F1099B Novosibirsk *VECHERNIY NOVOSIBIRSK* in Russian 25 Jul 94 p 6

[Appendix to Decree No. 996 of Novosibirsk Mayor V.A. Tolokonskiy, dated 19 July 1994, signed by office manager V.P. Sysoyev: "Statute on Raising the Tax for Maintaining the Housing Stock and Social and Cultural Service Facilities"]

[Text] I. General Provisions

1. The tax for maintaining the housing stock and social and cultural service facilities shall be established pursuant to Article 21, Paragraph 1, Subparagraph [illegible], of the RF [Russian Federation] Law on the Bases of the Tax System in the Russian Federation.

2. "Social and cultural service facilities" means institutions in the health service, public education, culture, and athletics, children's preschool institutions and vacation camps, and homes for the elderly and disabled.

II. Payers of the Tax

3. Payers of the tax for maintaining the housing stock and social and cultural service facilities (hereinafter "the tax") shall be enterprises, organizations, and institutions located within the limits of the city of Novosibirsk with the status of juridical persons and also foreign juridical persons, branches, and other similar subdivisions of enterprises, organizations, and institutions which have an independent balance sheet and settlement account (in the case of bank branches—a correspondent account or correspondent subaccount in bank institutions).

III. The Tax Base

4. The base of the tax shall be the volume of sales of products (jobs, services). "The volume of sales of products (jobs, services)" means the proceeds (gross income) from the sale of products (jobs, services) determined on the basis of wholesale factory prices, excluding the value-added tax, the special tax on enterprises, institutions, and organizations for financial support of the most important sectors of the economy of the Russian Federation and to support the steady operation of enterprises in those sectors, the tax on sales of fuels and lubricants, and excise taxes.

IV. The Tax Rate

5. The rate of the tax shall be set at 1.5 percent of the volume of sales of products (jobs, services).

V. Tax Benefits

6. Juridical persons designated by the mayor's Decree No. 321 of 17 March 1994, entitled "On Improvement of the City Tax System," and subsequent decrees of the mayor are exempted from payment of the tax.

VI. Procedure for Computation and Payment of the Tax

7. The amount of the tax is computed on the basis of the tax rate that has been set and the actual volume of sales of products (jobs, services). The expenses of enterprises and organizations are calculated on the basis of the rates for maintaining the housing stock and social and cultural service facilities on the balance sheet of those enterprises and organizations or which they finance on the basis of shared participation, which are set by local bodies of government, and are to be deducted directly from the amount of this tax.

8. The following peculiarities in the taxation of particular categories of taxpayers are to be taken into account in computation of the tax:

8.1. The tax is computed for procurement, trade, and supply and sales organizations and food service enterprises on the basis of gross income, which means the trade markup or difference between the purchase value and sales value of the commodity sold.

8.2. The tax is computed for banks and other credit institutions from the amount of income from performance of jobs (rendering of services) with the exception of the following income:

- interest on credits extended to the Government of the Russian Federation, the RF Central Bank, and the foreign trade bank, or guaranteed by them;
- interest and dividends obtained on state bonds or other state securities, and also income received for the work of placing state securities.

8.3. The tax is computed for insurance organizations on the amount of income from work performed (services rendered) related to insurance and noninsurance activity. The income from insurance activity is defined as the sum of insurance premiums received under insurance and reinsurance contracts and also other income related to insurance activity.

8.4. The tax is computed for exchanges on the amount of income obtained on the basis of commissions and remuneration on transactions conducted on the exchange floor, and also proceeds obtained from the sale and leasing of brokerage seats, payment for the right to participate in trading, and on the value of commercial-information and other compensated services.

8.5. The tax is computed for investment institutions on the amount of dividends and income from shared participation and interest (income) on stock, bonds, and other securities.

8.6. The tax is computed for middleman operations on the amount of income obtained from the middleman operations and transactions. The activity of enterprises acting as commission houses or agent or under a commission contract or order qualifies as middleman operations and transactions.

8.7. Noncommercial organizations which do not have tax benefits shall pay it if and when they have income from the sale of products (jobs, services).

9. Multibusiness enterprises (including credit institutions that have a license from the RF Central Bank) shall keep a separate account of taxable facilities.

10. The proceeds from the sale of products (jobs, services) obtained in foreign exchange shall for tax purposes be converted to rubles at the exchange rate of the RF Central Bank in effect on the day when the income is received.

11. The amount of the tax is determined by taxpayers individually on the basis of bookkeeping and reporting.

In the course of the quarter, all taxpayers except enterprises with foreign investments shall pay advance contributions of the tax on the 15th of each month in the amount of one-third of the amount of the tax of the previous quarter.

Enterprises with foreign investments shall make advance payments on the basis of actual sales for the previous quarter.

Small enterprises, investment funds, and enterprises mining precious metals shall be exempted from making advance payments.

12. Taxpayers registered in rayons of the city of Novosibirsk shall submit to tax authorities where they are registered cumulative accounts from the beginning of the year (on the form appended hereto) when they submit accounting reports and balance sheets and when they submit payment documents to pay the tax, on the basis of the results of performance for the quarter, the half-year, the first three quarters, and the year.

If there is a delay in payment of the tax on the basis of quarterly accounts, when five days have passed from the day fixed for filing quarterly reports and balance sheets, and in the case of annual accounts at the end of a 10-day period from the day fixed for filing the accounting report and balance sheet for the year, a penalty shall be assessed pursuant to current legislation.

13. Expenses of enterprises and organizations related to payment of the tax shall be charged to the financial results of the activity of enterprises.

14. Amounts of tax are credited to local budgets of rayons, and 20 percent is subsequently transferred to the account of the city budget. The funds received in the rayon shall be used to finance social and cultural service facilities and the housing stock transferred to the balance sheet of local administrations, and also for repair and operation of these facilities when enterprises and organizations maintaining the housing stock and the social and cultural service facilities lack the funds.

VII. Accountability of Taxpayers and Monitoring by Tax Authorities

15. Taxpayers and their officials shall be accountable for proper computation and prompt payment of the tax in accordance with RF tax legislation.

16. The tax authorities of the city of Novosibirsk shall monitor the completeness, correct computation, and prompt payment of the tax.

Omsk Oblast New Taxes Might Drive Away Business

944F1008B Moscow *SEGODNYA* in Russian
14 Jul 94 p 3

[Article by I. Spiridonov: "Omsk Entrepreneurs May Go Running to Ingushetia: Law on Local Taxes Leaves Them No Choice"]

[Text] The oblast's legislative assembly adopted a law on local taxes, with which no one, it appears, is pleased; that is, aside from the economic committee which prepared it. According to the president's December edict, enterprises will allocate 12 percent of their profits for the federal budget, and up to another 22 percent for the local budget. Exactly how much is to be decided at the local level. As it turns out, for those actually paying 22 percent, taxes on profits will be higher now than last year.

For the absolute majority of Omsk enterprises this is exactly what has happened. An exception was made for conversion plants, which shall pay, as they did last year, 32 percent: 12 percent for federal, and 19 percent for local taxes. However, it is all just the same to them, as no profits are anticipated.

In response to the question of whether the new law is advantageous for enterprises, the chairman of the economic committee, Aleksandr Sarayev answered truthfully: "We did not consider it, it is their problem." The entrepreneurs themselves think that no one will be fool enough to fall for these terms, and if someone does agree to them, then it will only be with the secret intention of fixing volume indicator figures

Banks may be able to reduce their taxes on profits from 30 to 25 percent. To do so, however, no less than 25 percent of their total credits are to be granted for a period exceeding one year. Whether the tax advantage

will provide the impetus for such action, no one knows. There are also other leniencies that look very similar.

The representatives of the oblast's Union of Entrepreneurs, having become familiar with the newly-made law, unanimously stated that it would not produce any kind of stimulating development in the local economy. The unfortunate situation for private business, which at the same time is now creating jobs, is only getting worse. And local businessmen are starting to think seriously about whether to move their capital into the free economic zone being created in Ingushetia. It may be risky, but apparently no one wants to be economically repressed in one's native kray.

Chelyabinsk Oblast Duma Chairman Views Tasks

944F0989A Moscow *CHELYABINSKIY RABOCHIIY*
in Russian 31 May 94 pp 1-2

[Interview with Vyacheslav Skvortsov by Ye. Frantseva; place and date not given: "A Multitude of Problems. The Duma Is Beginning To Tackle Them"]

[Text] New tenants, new authorities—the oblast Duma—are fixing themselves up in the building at 114, ul. Kirova in Chelyabinsk. A signboard has appeared at the front entranceway, and the national flag was hoisted above the roof last Thursday. The corridor on the fifth floor, which has been allocated the deputies, is still quiet, it is true, and the doors are still without nameplates. But in the chairman's reception room his assistant is already answering questions and greeting visitors, who have made their way here with their problems and suggestions. It did not take long to see that Vyacheslav Nikolayevich Skvortsov, who was just recently elected chairman of the Duma, is tightly encircled by complex mandatory business.

What does he, the first chairman of the first oblast Duma, think about the fledgling authorities whom he has been entrusted to lead? What place will it strive to occupy in the system of the power structures? How have the Duma's relations with the executive begun to shape up?

"There has been a convergence of the branches of power as of late," Vyacheslav Nikolayevich believes. "But—and they are only just beginning to understand this—the leading power is the representative authority, which should today control all matters.

"There is the corresponding attitude toward the deputies today both on the part of the government and at the local level—on the part of the administration. Specifically, the administration of our oblast, and we have seen and recognized that the legislature elected by the people should handle all serious problems and adopt legislative instruments supporting the activity of the oblast. Good, constructive interaction on practically all issues has begun here. Recognition of our body is visible on the part both of the head of the administration and all senior officers of the executive."

[Frantseva] Has the makeup of the Duma contributed to this in some way? What could you say about it?

[Skvortsov] The 15 deputies represent quite a potent body, professionally. Practically every one could hold the office of chairman, because all are multi-profile specialists, and many were elected deputies previously, including three as deputies of the oblast soviet.

It so happened that the winner in the election struggle was the oblast Union of Industrialists and Entrepreneurs, which was formed a year ago. Of our 10 candidates, eight "made it" to the Duma.

[Frantseva] This, evidently, predetermined the election of yourself, vice president of the Union of Industrialists, as chairman of the Duma.

[Skvortsov] My colleagues did, indeed, put the corresponding proposal to me. Although I had not even been thinking about this. After all, the workforce of the Zlatoust Metal Structures Plant had elected me director. Its trust, generally, required that I stay at the plant. I mused on the appeal to me of the Union of Industrialists Board and the corps of directors. The directors of Zlatoust, Magnitka, and Chelyabinsk turned to me with similar problems. I agreed to meet these wishes in the event of a positive decision of the deputies. I have to say that this confidence motivates me to immediately tackle in earnest the questions and problems that confront the oblast and the oblast Duma.

[Frantseva] And these problems are, as we all know, extraordinarily complex. With what, in your view, should the oblast Duma start to think, more precisely, to act?

[Skvortsov] There truly is a multitude of problems. There is in practice in the oblast an absence of a system of laws and legislative instruments. The deputies have now to draw up a list of the priority laws. We have already outlined approximately 20 of these. Of course, it is simply impossible to adopt all of them all at once; each one requires thorough study. We intend to enlist in the work on them specialists and practical experts, scientists, and the intelligentsia. I am a supporter of active interaction with a broad range of the public, regardless of party affiliation. It is very important that good ideas geared to an improvement in affairs in society come together in our Duma.

Law-making activity is the basis of our work, and this takes time. But this is, if I can put it this way, "paper-work." The main thing is that we need to create all the conditions for the speediest revitalization of production. I am a supporter of a regulated economy. Free, but regulated. All our laws, all our actions, all our current measures that we want to implement—all, I believe, should be geared to an increase in employment. This is the most complex problem today: When a person wants to work and knows his business, but cannot find an application for his efforts. We need to load up our

industrial capacity, primarily in the priority sectors, which would provide a boost and, on the whole, revitalize production.

And the Duma has already begun to operate in this direction. Yesterday, following the election of the chairman of the Duma and his deputies, we participated in work with the conversion enterprises. Representatives of nine conversion plants of the oblast, where the situation is very difficult at this time, were invited. Having obtained full information on these enterprises, we decided that we would form a conversion committee.

[Frantseva] This will be a Duma committee?

[Skvortsov] We will form it in conjunction with the oblast administration and the Union of Industrialists. We are preparing for a trip to Moscow. We have already established good contacts with the government and the presidency. They are shaping up with the State Duma and Federation Council also. Specially since people of the South Urals entrusted such worthy deputies as A. Starikov and M. Isayev with representing the oblast there. In my view, this is an ideal choice, an ideal combination: a practical expert and a scientist, a scientist in the field of economics, what is more, Mikhail Vasilyevich Isayev is a scholar of the highest intellect who has made an extensive study of the problems of the oblast's economy and has drawn up a scientific-economic program of the development of the oblast. Anatoliy Ilich Starikov has a wealth of experience as a practical expert and leader. Operating together, we will be able, I hope, to resolve the problems of the conversion enterprises. Yes, as I have already said, we have begun to tackle them. Although perhaps we are in somewhat of a hurry. After all, the Duma has only just been elected, and the deputies have already embarked in earnest on preparation for a discussion in the government on this problem, one of the most serious in the oblast.

In addition, I am a member of the Industrial-Economic Council of the Government of Russia. I had a call from the government yesterday and was told that I was expected, that there would very shortly be a meeting of the council, which would consider questions of economic legislation. We had already given the government the corresponding proposals. We will, I believe, punch through our proposals, which should help solve certain economic questions. This applies primarily to price regulation in the base sectors of industry such as power engineering, transport, mining industry....

The next stage, more precisely, a parallel stage, in our work will be the compilation and coordination of long-term programs of the development of the oblast. There is no oblast program today for the use of natural resources or a program for the development of the priority sectors of industry, and the environmental program needs adjustment. Employment constitutes one priority program....

[Frantseva] Does the Duma intend to take advantage of the experience generated by the last oblast soviet?

[Skvortsov] There are in the Duma three former deputies of the oblast soviet. They have, it has seemed to me, a somewhat biased, guarded attitude toward us. But I personally am of a mind to enlist them and make use of their experience as much as possible. They were not involved in directive work. But then, this is not what is most important. The most important thing is to organize work on the solution of urgent questions and to enlist in it all who could be useful here. We will undoubtedly make use of past experience. But from the viewpoint of today's conditions, of course.

[Frantseva] The business of the previous soviet was interrupted when a session on protection of mother and child was being prepared. Work had been performed in committees of the oblast soviet on other serious matters for the oblast. Do you intend to familiarize yourself with what the soviet was unable to complete?

[Skvortsov] We will try to make use of all that is of value. But I would like people, specialists, who have been working on a range of problems that are urgent today also to come to us of their own accord. And present their proposals. We would be grateful to those who want to help us, not us, more precisely, the inhabitants of the oblast. We would be grateful for all good ideas, those that spare us reinventing the wheel included.

[Frantseva] Have the deputies discussed the question of who will work in the Duma on a permanent basis?

[Skvortsov] Five or six persons, approximately. Three have been elected. Aside from the chairman, they include First Deputy Fedor Nikolayevich Klyuyev. A very fortunate nomination. He is well known in Chelyabinsk and the oblast. I consider it superfluous, therefore, to say anything about his professional qualities. Thanks also to his contributions in administration of the system of the oblast's vocational education, there is so much that is novel today, despite the hard times, and much has been preserved here.

Viktor Fedorovich Davydov is from Sim. He did not immediately consent to be deputy, we had to "work" on him. He is an industrial manager, a practical expert, the leader of a defense enterprise, and they constitute, after all, approximately 70 percent of the oblast's industrial potential. Such a specialist is very important, and he was for this reason elected without misgivings. I am satisfied with this personnel apportionment. A third deputy will be elected shortly.

We have to approve the structure of the representative authority in the oblast. We will necessarily bring in a specialist in the sphere of council organizational development. I myself am pretty familiar with this work. And not only in practice. I studied at the Soviet party school. I do not believe there is any need to be ashamed of this, because rejecting past experience entirely would be irrational. I hope to make use also of the knowledge acquired in the United States, where I studied public administration.

[Frantseva] This is interesting. Have you been able already to use in practice, at your plant, anything of the knowledge you acquired there?

[Skvortsov] I was trained in the state of Kansas in administration, from shopfloor work through the staff itself. I subsequently introduced at the plant new systems of the organization of labor and its remuneration and regulation and a system of the organization of management. Thanks to this, our outfit survived the difficult time when the plant, essentially, was to have been closed down. The funding of the products that we had been manufacturing was terminated. But the plant was able to restructure and to produce many new types of product.

[Frantseva] And if you compare Kansas, in whose administration you participated, with our oblast?

[Skvortsov] It is more than twice the size in terms of territory. But the problems with us are considerably more complex. In addition, a democratic constitution has been in effect for 200 years in the United States, and we are in practice starting from scratch.... But we are starting!

The Duma will not grasp everything all at once, of course, but we will strive for the maximum results. We have no time to study matters! Time is pressing.

[Frantseva] And the seriousness of the problems, of course.

[Skvortsov] I have to say that for a further two or three months a steep downturn in production is possible and that there will be tremendous layoffs at the enterprises. I cannot today firmly promise that the situation will then improve. The only thing that I can promise is that I will work and work and give my all to ensure that by joint efforts there is, for all that, a start on rectification of the situation. And today I am doing nothing but work. I subordinate my day to it. And I draw up my schedule such as to ensure that we spend the maximum amount of time on business. My working day at the plant ends at nine in the evening at the earliest, and I start at eight in the morning. Involvement in sports, a fixed schedule, a healthy lifestyle here. Everything is subordinated to giving as much of my energy as possible to work.

[Frantseva] May I put a question of a personal nature? You are from Zlatoust; will you now be moving to Chelyabinsk? What is your family's view of your new work?

[Skvortsov] I am not about to rush matters as regards the apartment question. I have a sensible wife, she supports me here. I will now start with work, and if a pause in proceedings occurs, I will try to resolve this problem. People often work for years—he, here, she, there. The main thing is trust in each other, and we have this. We will see each other at weekends: 140 km is not a great distance.

[Frantseva] So personal problems will not distract you from the great concerns that you have taken on together with your chairman's office?

[Skvortsov] If there is cause and if I have the authority and recognition, then, perhaps, I could permit myself to obtain an apartment here, in Chelyabinsk. Meanwhile, I will live in a hotel or in service accommodations....

It has to be said that I had not arranged the meeting with Vyacheslav Nikolayevich in advance. I did not, for this reason, have a chance to ask him all that I had intended. His assistant looked in, reminding him of his next meeting. The spring of the second working day of chairman, which had, as was evident from everything, been coiled tight, had begun to unwind....

Tyumen Autonomous Okrug's Agree on Cooperation

944F09881 Tyumen TYUMENSKAYA PRAVDA in Russian 15 Jun 94 p 1

[Agreement "Agreement on Long-Term Cooperation Between Objects of the Russian Federation—Khanty-Mansi Autonomous Okrug and Yamalo-Nenets Autonomous Okrug"]

[Text] The Parties—the agencies of state authority of Khanty-Mansi Autonomous Okrug and the agencies of state authority of Yamalo-Nenets Autonomous Okrug,

—showing respect for the history, traditions, culture, languages, and national dignity of the peoples residing on the territories of the autonomous okrugs, and desiring to create all the necessary conditions for the unique development of the small-population peoples of the North:

—understanding the objective necessity for strengthening the authority of the executive agencies of state authority of both autonomous territories through the increase in the degree of their maturity as subjects of the Russian Federation, under conditions of regional integrational processes

—for purposes of increasing the time-responsiveness and overall increase in the effectiveness of the activities of the agencies of the executive authority of the subjects of the Russian Federation,

—guided by the Constitution of the Russian Federation, the Federal Treaty, and the currently effective legislation of the Russian Federation; and

—with the intention of creating mutually advantageous and friendly relations between the Parties, have concluded this Agreement concerning the following.

Article 1. Object of Agreement

The agreement establishes the foundations of the reciprocal cooperation between the Parties with regard to the economical and efficient use of the financial, material,

natural, human, and other resources of Khanty-Mansi Autonomous Okrug and Yamalo-Nenets Autonomous Okrug; the unification of their scientific-technical, informational, and other potentials and opportunities under conditions of the growth of the market economy and the implementation of the economic reform; as well as a mechanism of relations for resolving questions with regard to the coordination of the executive agencies of authority in resolving current and vitally important socioeconomic tasks and programs.

Article 2. Reciprocal Pledges

Khanty-Mansi Autonomous Okrug and Yamalo-Nenets Autonomous Okrug assume reciprocal pledges:

2.1. In a coordinated manner to resolve the socioeconomic and political tasks and the problems that arise, by means of the unification of the material and financial resources, and the enactment and conscientious execution of joint regional and interregional programs.

2.2. The investment of joint programs and individual treaties that are enacted in development of this Agreement is to be carried out on the basis of shared ownership.

The volume of investments to be channeled into specific projects is to be defined in the budgets of the autonomous okrugs, as a guarantee of execution.

2.3. To coordinate individual questions that touch upon the interests of both Parties in the sphere of credit, taxes, prices, the support and development of entrepreneurship, and other economic relations, including folk handicrafts and the preservation of the traditional way of life of the small-population indigenous peoples of the North, as well as with regard to questions of employment and migration and the working and recreational conditions for the population.

2.4. To make no decisions that hinder the carrying out, on the territory of the other Party, of any economic, social, or other reforms under conditions of the growth of the market economy or that infringe upon the interests of the participants of this Agreement. In instances of the making of such decisions, the interested Party has the right to make proposals to the other Party concerning the cancellation or changing of that decision.

2.5. To promote the reciprocal development of the infrastructure, especially in the system of energy supply; means of communication, including space communication; and air, river, and other transportation for purposes of carrying out measures to improve the providing of the population with the appropriate services, the resolution of questions of supplying the population with commodities, food products, and other socioeconomic tasks.

2.6. To unite the efforts and means to resolve urgent situations to combat epidemics and epizootics, to

observe quarantine measures, and also to prevent natural calamities and catastrophes, and to eliminate their consequences.

To coordinate and render reciprocal assistance in questions of the social security of the population, the protection of the rights of the citizens, public order, and the implementation of measures pertaining to civil defense.

2.7. To coordinate the carrying out of the powers in the use of mineral, land, forest, and water resources, and their scientific-analytical and practical support, in questions of the ecology of flora and fauna, especially on the boundaries of the two territories, as well as the formation of single approaches in the sphere of developing and enacting a technical-normative and legal base

2.8. To promote the effective use of the rights and powers granted to the autonomous okrugs as subjects of the Russian Federation; to exchange information that is of importance for the other Party in all spheres other than the confidential sphere; and at the same time not to interfere in the carrying out of state powers, or in the activities of the agencies of local self-government of the other Party.

2.9. With a consideration of the reciprocal pledges and this Agreement, to take part jointly in the development of legislative bills of the Russian Federation that pertain to the autonomous okrugs and their interests, as well as those dealing with the normative regulation of relations with Tyumen Oblast and with one another, including those in development of the principles and norms established by the constitution of the Russian Federation, the Federal Treaty, and federal laws.

Article 3. Reciprocal Rights of the Parties and the Mechanism For Implementing Them

3.1. The Parties carry out their rights and implement their obligations on principles of equal rights, legality, and mutual respect, on the basis of the constant expansion of the sphere of their interrelations.

3.2. In carrying out their rights and obligations, the Parties select the acceptable form and specific mechanisms of interrelationships, namely: the sending of the draft of a decision for coordination; official requests in written or oral form; joint decision-making; the exchange of letters, and telegraphic, fax, and other communication; the formation of expert, consultative, and informational groups to resolve specific tasks and problems, and to carry out a preliminary study of them; the inviting of experts, including foreign ones; the concluding of specific treaties for the implementation of their interest in accordance with this Agreement, which are an inseparable part of it; the formation of executive boards and programs, and other legal methods of relations.

3.3. A Party in this Agreement has the right to give an assignment to the appropriate institutions and organizations that are subordinate to it, or to its structural subdivisions, to enter into direct contacts and relations

with the analogous structures of the other Party for joint developments and the implementation of individual provisions and pledges stated in this Agreement and the treaties and individual agreements that were concluded in development of it, for the execution of specific common tasks.

3.4. The Parties carry out regular bilateral consultative sessions dealing with questions of the execution of this Agreement at the level of the deputy administration heads. The consultative sessions are conducted no less frequently than twice a year and their results are brought to the attention of the Parties.

3.5. Each of the Parties retains the right to initiate, within the framework of the consultative sessions, negotiations concerning the desirability of extending the effective period of individual provisions of this Agreement.

3.6. On the basis of the mutual consent of the Parties, the provisions of this Agreement will be augmented or amended in the procedure established by the Parties in the course of such negotiations.

Article 4. Responsibility of the Parties

4.1. The Parties in this Agreement, in instances of the infliction of damages of a material or ecological nature or of losses, compensate one another for those damages on the basis of documentally substantiated demands and the legislation that is in effect.

4.2. In the event that a dispute arises, the interested Party has the right to begin a conciliatory procedure, by selecting the acceptable form of interrelations in accordance with paragraph 3.2 of this Agreement.

The interested Party has the right to transfer the final review of the dispute to arbitration and court agencies in the established procedure.

4.3. The conclusion of specific treaties and agreements is carried out in development of the provisions of this Agreement and must not contradict it.

Article 5. Effective Period of the Agreement

5.1. This Agreement is concluded for a five-year period and goes into effect at the moment of signing by the Parties.

In the event of intentions by the Parties to preserve the effect of the Agreement, it is prolonged for a five-year period on the basis of an exchange of letters that are in this instance an inseparable part of this Agreement.

5.2. Each of the Parties has the right to withdraw ahead of time from this Agreement, no earlier than six months after the moment of written notification to the other Party concerning this. After the expiration of six months from the day of announcing the withdrawal from the Agreement, the Party that has made that announcement is required in a voluntary procedure to pay off its

indebtednesses, and also to communicate concerning the specific treaties and agreements that it considers to be in effect and that are not linked with its withdrawal from this Agreement.

Article 6. Concluding Provisions

6.1. This Agreement was drawn up on 3 June 1994 in six identical copies having equal force, in the city of Khanty-Mansiysk, Tyumen Oblast, Russian Federation, and, after signing, is being sent to the representative agencies of Khanty-Mansi Autonomous Okrug, Yamalo-Nenets Autonomous Oblast, and the agencies of state authority of Tyumen Oblast.

6.2. This Agreement was signed by the Parties that initially signed it.

[Signed] P. Volostrigov, deputy chairman of the Duma of Khanty-Mansi Autonomous Oblast

[Signed] A. Filipenko, administration head, Khanty-Mansi Autonomous Oblast

[Signed] N. Babin, chairman of the State Duma of Yamalo-Nenets Autonomous Okrug

[Signed] Yu. Neyelov, acting administration head, Yamalo-Nenets Autonomous Okrug

Japan To Invest in Sakhalin Economy

944F1008A Moscow SEGODNYA in Russian
13 Jul 94 p 1

[Unattributed Article: "Japanese Banks to Extend Credits for Three Sakhalin Projects"]

[Text] Negotiations were held in Yuzhno-Sakhalinsk on July 11 by 80 leading Japanese firms and banks together with the leaders of the "Sakhalinugol" association and other Sakhalinskaya Oblast firms. Of the 30 projects and proposals prepared by the committee for economic cooperation within the "Russia-Japan" oblast administration, Japanese specialists selected only three, reported the director of the oblast administration's department of foreign economic ties, Vladislav Rukovets. The projects include the construction on Sakhalin of the following: a colliery at the "Solnstevo" coalfield (estimated reserves - 55 million tonnes, annual extraction - approximately 2 million tonnes), a Solayev GRES [hydroelectric power plant] to supplement Sakhalin's power grid, and a 60-kilometer railway between the city of Ulegorskiy and the town of Ilinskiy. The approximate cost of the projects is five billion dollars, which Japanese banks are ready to provide in the form of credits. The periods of repayment and interest rate will be determined following the preparation of the TEO [technical and economic feasibility] of the projects this fall by Sakhalin specialists (estimated cost: three to seven million dollars). In the words of Mr. Rukovets, "As a possible variation to a transport link between Sakhalin and Hokkaido" a proposal was also discussed at the meeting that was made by

the Japanese side concerning the possible construction of a 40-kilometer tunnel under the Nevelsk channel. (estimated cost 10 billion dollars)." However, no decision was made regarding this proposal. The following representatives from the Japanese side took part in the negotiations: the Itochu Corporation, Progress Corporation, Mitsubishi Corporation, Michui, The Michinoki Bank, The Bank of Tokyo and other firms.

Economists Propose Model for Far North Regional Development

944F1058A Moscow NOVAYA YEZHEDNEVNAYA GAZETA in Russian 22 Jul 94 p 3

[Article by Igor Ognev, Tyumen-Moscow correspondent: "The Far North Has Nevertheless Proven To Be Extreme"]

[Text] For many, this land is associated with endless cold and gas which comes from who knows where. Yet, we might add, people have long been living and working under the severe conditions here, and it is not that bad for them. And as for their living conditions, an analysis conducted by economists shows that the minimal consumer budget of a Northern resident differs little from the budget of a resident living in the south of the oblast, where tomatoes and apples are quietly ripening.

As in previous decades, people are forced to live, or rather survive, for the sake of work. Yet, can we not arrange it the other way around? For a person to work for the sake of life? Moreover, it is not important where he lives—in the Far North or in the non-chernozem zone.

At the request of the Tyumen Center for Economic Assistance (president B. Binkin), such a model of regional development was developed by a group of economists at the Russian Academy of Sciences Siberian Department under the leadership of Yevgeniy Kibalov. The model shows how to utilize the riches of Yamal for the benefit of all Russia on one hand, and on the other—how to bring together the interests of Tyumen Oblast and the Yamal residents themselves. In short, to raise the living standard to the level which they have long deserved.

Moreover, this methodology, which has been corrected for local conditions, may be used as the basis for development of other territories of Russia as well.

It is understandable that the primarily goal of the okrug is simply to survive in the difficult competitive struggle of the transitional period. This is difficult, but quite possible, as economists believe. First of all, it is necessary to seek means of preventing conflicts of the minor peoples of the North with the newcomer population. Secondly, there is a persistent high demand for oil and gas. And thirdly, there is the reliance on their own sources of financial means, which ensure stable development in the future. One of these conditions, for example the demand for hydrocarbons, is present. The others they

will have to build themselves. How? The scientists propose their solution for each case.

Three Sources and Three Components of Future Well-being

To achieve civic peace in the region, it is recommended to distinguish three basic groups of the population: The native population—the minor peoples of the North; the migrant population which have become old-time residents, and the obvious temporary residents.

In regard to the first group, the scientists propose rejecting the traditional paternalism—imposing "the correct," obviously from the standpoint of the Moscow of Tyumen bureaucrat, but radically foreign lifestyle upon the native residents. The other extreme is also doubtful—the self-isolation of these people. It will inevitably lead them onto reservations and isolate them from the sources of self-development—economic rent.

We must make particular comment regarding the position in which the minor peoples of the North have found themselves. During the time of development and exploitation of the Medvezhye, Urengoy and Yamburg deposits, they got the greatest share of misfortune. It is true, on the surface everything is proper: In 20 years the numbers of these peoples have even increased. However, their traditional way of life, like their habitat, is continually being destroyed, and this has catastrophically reduced the time of existence of the aboriginal peoples in this fragile world. And one other circumstance: The relative share of Nenets, Khanty, Selkup and other native peoples, which 20 years ago comprised one-third of the entire population of the okrug, has dropped to 6 percent.

The authors of the project propose that we finally recognize the U.N. convention, "On Native Peoples and Those Living a Tribal Form of Life in Independent Countries," adopted by the world in 1989 but not signed by Russia. The convention not only proclaims the right of these peoples to self-preservation and self-development. The main thing is that it points out specific economic-legal mechanisms for this process. This is primarily the right of the aboriginal peoples to property and ownership of the land on which they traditionally live.

If the state retains the right of ownership of the mineral wealth of these lands, then the aboriginal peoples, even before the start of the geological-survey work, will receive fair compensation. This mechanism is what gives them the right to receive rent—a stable source of self-development. Without it, it would be impossible to influence the growth of their income. And according to the opinion of economists, by the year 2000 this income should be brought up to \$30,000 U.S. per year—that is the present-day level of Finland.

The other part of the rent, undoubtedly, must go to the migrant population. Without this, it is impossible to

alter the structure of economic management and to finally acquire a decent quality of medical services, balanced nutrition, normal education, culture and other elements of the social sphere

Plus 13 - minus 13...

The life of any Soviet man, if it did not belong to some leader, was surely given over fully to Molokh in the name of the Plan. In their conception, the scientists view the production and economic strategy of the oblast merely as a source of funds capable of making life normal. The authors propose rejecting the traditional orientation of the okrug merely for the extraction of gas. The narrow profile of the economy is not only unprofitable. This strategy is already unrealistic. The disintegration of the economy of Russia and the near abroad does not allow them to count on the influx of major investments in the development of drilling sites. Actually, they have already dried up, and this has become readily apparent. While in 1980 the rate of growth of gas extraction in the okrug comprised plus 13 percent, in 1992 it was minus 13.

Therefore, economists persistently recommend undertaking the immediate diversification of the oblast economy, the comprehensive utilization of raw materials and their deeper processing with the aid of waste-free technologies, and the development of socially oriented production. And it is absolutely necessary to revive the economy of the aboriginal peoples on a serious basis. However, in reality the stake is being placed, as before, on the fuel-energy complex, like a locomotive pulling the okrug's economy. Once again, with the same ardor as before, there is renewed talk about developing the hydrocarbon deposits on the Yamal Peninsula. We might add, they are located 1000 or more kilometers north of the Arctic Circle, on which Salekhard is located. It is not enough to say that these places are covered with permafrost. It is even worse that the soil of the peninsula is a rather conditional concept, since 70 percent of it is ice, covered with a thin layer of vegetation. Ice pillars, real icebergs, extend for 1.5-2 kilometers.

They have had their sights on the peninsula for a long time, but the nut is too tough to crack. Working in Tyumen Oblast, I often had occasion to see the sorry results of careless intrusion into the Yamal tundra. Just imagine, for example, the following picture: A settlement of drilling crews extending for about a kilometer and a half, slips down along the icy surface by about 300 meters, although the angle of incline of the plateau is only 3-5 degrees. Visiting there a year later, I saw a blackening abyss in this place—a karst formation.

Even according to the official evaluations, which are far from complete, since approximately 1970 the damage inflicted upon the environment comprised 27-30 trillion rubles (R), while the annual expenditures for its protection were only R40 billion (in 1993 prices).

Nothing has changed in the arsenal of the builders since the 80's. They intend to storm the peninsula with the

same technologies with which they developed the deposits at Nadym, Urengoy and Yamburg, which are located in milder conditions. No ecologically sound decisions for laying a railroad line from the south of the peninsula to the north have been found, nor for building a system of main pipelines for transporting gas to the continent.

Specialists warn of catastrophic consequences of economic incursion not only for Russia, but also for the Scandinavian north. In the opinion of some researchers, there may even be a gradual destruction of the peninsula.

Even back in the 80's, geologists were silently amazed by the Yamal impulses of the builders and gas developers. After all, south of the Arctic Circle, where all the production infrastructure has been built, only the upper, Cenomanian, strata of the deposits is being worked—and these deposits are of world classification and numbered among the largest, the giants of the world. At the same time, in the underlying Valantine strata, at a depth of approximately 3,000 meters, reserves of gas and valuable raw materials for the petrochemical industry—condensate—have been discovered and long confirmed in quantities that would last for many years to come. This was proven to me with figures in hand by the general director of the "Yamalneftegazgeologiya" association, Vasilii Podshibyakin. Since that time, geologists have steadily increased the gas reserves in Valanzhina.

It is true that in order to get this gas without losing the condensate it is necessary to first develop improved technologies. Today such a possibility has emerged—the capacities of the VPK [military-industrial complex] are being freed. However, we are making equipment for the doubtful, from the standpoint of certain specialists, project of developing the Barents Sea shelf, despite the fact the reserves of Yamal gas are more than sufficient, and also are located in a rather developed area.

I cannot judge the secret mechanisms which move the project for developing the shelf. As for the insatiable itch to rush to the Yamal Peninsula, its nature is well known. Here, in developing the deposits, 60 percent of the work of builders is comprised of pouring dirt for the foundation of numerous structures. Just imagine what scope there is here! Could this be why the main Yamal lobbyists are specifically the builders?

Perpetual motion machine?

However, even without Manilov's plans [futile day-dreaming, from Manilov, a character in Gogol's "Dead Souls"], the development of the peninsula will require considerable funds for social and production programs. Siberian economists see the solution, first of all, in involving domestic and foreign entrepreneurs. The traditional spheres of economics are for the present time more accessible to private capital than the extraction of minerals, where there are still many legislative pitfalls and gaps. Secondly, and this is the main thing, the basis

of an effective financial mechanism will be the above-mentioned U.N. convention of 1989, provided, of course, that we sign it, and that the project of the scientists which we told about here is adopted. We will recall that Articles 14 and 15 of this convention speak of acknowledging the historic right of ownership by the aboriginal peoples to the lands which they traditionally occupy and fair compensation for the exploitation of the natural resources. This document is being implemented throughout the world, creating funds for their descendants. This fund regularly gets a certain set amount (for example, in Canada and Alaska it is 14 percent) of the profits from sale of the territory's oil, gas and other resources.

The fund is a unique perpetual motion machine, a mechanism of turning irreplaceable natural resources into ever increasing financial resources, part of which are distributed for the benefit of the regions.

Economists have made the following calculations: If such a fund had been organized in the okrug from the very beginning of gas extraction and it received not 14, as in Alaska, but only 7 percent of the selling price of the hydrocarbons, by the year 2010 the accumulated fund would equal the annual proceeds from the sale of this gas. Even if the descendant's fund is created in the nearest time, under these same conditions the levelling of funds accumulated in it and the proceeds from the sale of the resources would occur in the year 2022, and even sooner under more favorable conditions.

The Hand of the State in the Desert Tundra

It is understandable that in this case there must also be a radical change in the very organization of management of the entire production complex. Within the framework of the presented ideology, state corporations have recommended themselves well in various countries. It is they who manage the descendant's fund, at the same time not being production monsters and not having fixed capital on their balance. In essence, the state corporation acts as a middleman, hiring contractors to fulfill regional programs. In turn, these contractors may also extend to foreign executors. Thus, economic structures emerge which are fully capable of managing the programs in the market environment.

The dual status of the corporation—a program body for economic regulation and the subject of market relations—is fully within the scope of an AO [joint-stock company] of the open type, where the state, the RF [Russian Federation] Government and the administration of the okrug reserve the controlling packet of stock.

If the state corporation is the guarantor of the entire population of the region, the other structure—the development corporation—protects the interests of the

aboriginal peoples. Its charter capital is formulated from monetary compensations intended for the native residents in exchange for their handing over their historic rights to the sections of land. Thus, the development corporation gets the opportunity to manage these funds. And the aboriginal peoples, having acquired a packet of its stock free of charge, become the beneficiaries. Naturally, their income depends on the business skills of the corporation leaders. World practice shows that those corporations withstand the competition which invest part of the funds in so-called portfolio investments—reliable stocks and real property outside the boundaries of their region.

In accordance with this ideology, there is a proposal also to formulate an okrug дума. In the opinion of the economists, one chamber, consisting of deputies selected from among the native population and long-time residents, must determine the conditions of application of the main wealth of the okrug—the natural resources, and in the case of serious violation of the rights of the voters or damage to the environment, have the right of veto. The second chamber includes representatives of the entire population.

The conception of the economists of Novosibirsk which I have tried to relate, with a favorable confluence of circumstances, may begin to be implemented already in the current year. Otherwise, everything will come to naught or be reduced to theoretical exercises. I have known the authors of the project—the collective at the Institute of Economics and Organization of Industrial Production at the Novosibirsk association "Pram"—for almost a quarter of a century. This institute does not need special introduction. Its research has always been highly evaluated by the elite in world economic science. But not by the leadership of the USSR. And this is understandable. The conclusions and recommendations of the scientists were often on an entirely different plane from that on which the doctrine of the government of developed socialism rested.

Well, this is a thing of the past. But here is the paradox: The studies of the institute are just as unacceptable to the current Government of Russia. It is enough to recall how, passed two years ago through the corridors of power, the draft edict of the President of Russia on the development of Tyumen Oblast, whose scientific conception was prepared by this same collective of researchers, was emasculated.

And so it is now, in order for the the programs in Yamal to begin operating, a decree by the Federal Assembly and an edict by the President of Russia are needed. There is one hope: Perhaps we have gotten even a little bit smarter, and the fate of this project will not be just as depressing.

Opposition Stalls Krasnoyarsk Nuclear Reprocessing Plant

94WC00654 Moscow ROSSIYSKAYA GAZETA
in Russian 27 Jul 94 p 2

[Article by Vladimir Gubarev: "'Cherbourg Parasols' Over Krasnoyarsk-26]

[Text] "Cherbourg Parasols" was a nice film: pretty actresses, a moving love story, excellent music... That is why we remember that town in the west of France: attractive, cosy, and really musical. I can testify to this, because I have visited Cherbourg. True, not for the parasols, or even because it has a nuclear submarine base, but simply because next to the city sits one of the most modern factories in the world, which belongs to the company "Kozhema". Its president kindly permitted journalists from the "Nekos" studio to visit the plant. Incidentally, the first, and so far only, journalists from Russia. Because even in France the plant is classified as "supersecret."

The French are proud of the spent nuclear fuel processing complex located near Cherbourg. There are no other such modern facilities in the world. A similar plant was to have appeared in Krasnoyarsk Kray, but so far they have been unable to build it there, and not because the Russian nuclear people are incapable of creating such a state-of-the-art facility with unique technologies. The reason is quite different: Those selfsame ecological politicians who are happy to travel to France for "advanced experience" are adamantly opposed to the construction near Krasnoyarsk. They willingly visit and admire castles on the Loire River, as well as nearby nuclear power plants. After all, both have long been included in French tourist itineraries and are admired. And this is only natural, since France's nuclear power plants produce three-quarters of all its electric power, eliminating the country's dependence on oil and fuel deliveries from abroad, thereby making France great and independent for real, not just in slogans. But there is a big difference between what our politicians say and do over there and over here...

So what do Cherbourg and Krasnoyarsk share in common? Their kinship is in nuclear industry and the facilities that were to have appeared simultaneously there and here. Construction of the two plants began at the same time. They have the same mission: to process spent fuel from nuclear power plants, domestic and foreign. The French facility is already operative: I saw with my own eyes how Frenchmen were working with fuel from a Japanese nuclear plant. Meanwhile the Krasnoyarsk facility is still in the "discussion" phase, which has been going on since 1977. First the "old type" bureaucrats claimed that such a facility would be needed only in the 21st century, so why spend money now? The "supermodern" bureaucrats, for their part, fall back on ecology and the need, they say, to protect the environment. The rationales differ, but the tremendous danger they are causing Russia is the same. Notably, economic, because the delay in building the complex results in annual losses of hundreds of millions of dollars. That

money "settles" in Cherbourg, as well as in England, where there is also a fuel processing plant. It is entirely possible that soon a "Cherbourg parasol" will be opened over our own nuclear industry, and then our rubles will have to be converted into dollars to pay the French.

Specialists have repeatedly warned the government that it was necessary to take urgent measures. The latest letter came from three director-generals: A. Karelin (Radium Institute imeni V. G. Khlopin), V. Kurnosov (VO VNIPIET [All-Russian Scientific Research and Design Institute of Energy Technology]), and V. Lel'edev (Mining-Chemical Works). As usual, there has been no response, and three people highly esteemed in Russia—leading scientists and world-renowned specialists—have been forced to appeal to the public. "We are not asking the government of the Russian Federation to fund the development of this industrial complex," the authors write. "All we are asking for is the right to sign contracts with countries of the near and far abroad to process spent fuel from nuclear power plants, use the proceeds to complete the industrial complex within 5-7 years, and put it into continuous operation."

More, the authors of the letter affirm that already in 1995 the proceeds would annually contribute up to US \$100,000,000 to the Russian budget, 180 million for social development in Krasnoyarsk Kray, 30 million for the Mining-Chemical Works, and 6 million for the Radium Institute. In addition, jobs would be created in Krasnoyarsk and St. Petersburg, it would be possible to reclaim areas of the Mining-Chemical Works, which had handled military programs, and state-of-the-art scientific and industrial potential surpassing what Cherbourg currently has would appear.

Incidentally, everyone is in favor: the local authorities, the specialists, and even the Russian president himself. On 21 April 1993, Boris Yeltsin signed Edict No. 472, which gives the "green light" to construction of the facility. However the President, as is known, has advisers who, moreover, apparently have the right to "repeal" presidential decrees. It is interesting, does he suspect this himself?

Here is what the authors of the letter write about the current situation: "The President of Russia permits, but bureaucrats prohibit. At the center no one cares, it is a total dead end. In order to at least somehow explain the position of authoritative specialists, in 1992, Academician A. V. Yablokov, chairman of the Russian Federation Security Council's Interagency Ecological Safety Commission, was invited to the Mining-Chemical Works. He was explained everything in detail, shown everything, saw that the proposed project was useful and said: 'Yes, the industrial complex for processing spent nuclear fuel must certainly be completed and placed in operation.' So one can imagine our amazement when about a year later this government official once again launched out in the #23, 1993, issue of the newspaper ZELENYI MIR [GREEN WORLD] against the development of nuclear power and nuclear technologies in

general. How could a statesman, just one year after seeing the problem with his own eyes and agreeing with specialists and scientists, make an about-turn and excite the 'Greens' with totally incompetent 'five aspects'?"

These, of course, are sharp words from the three outstanding scientists and specialists who penned the letter. But one senses the pain, which is why it is so important to feel it, all the more so as one can only wonder how the fate of physics and the nuclear problem can, paradoxically, depend on the opinion of Yablokov, a biologist. Perhaps it would be better to use the French experience? After all, we love to quote authoritative Western sources. In the present case this is a most convincing argument. Especially since the authors of the letter to the Russian government state: "We propose contracting to bring in spent fuel from foreign nuclear power plants under the same conditions as France and England, not for storage and burying, but for processing under mutually advantageous conditions, returning the processed products and solidified highly active wastes to the country that supplied the spent fuel for processing. That is what they do all over the world, earning huge profits and living fine. What is the problem with us? There is no problem, there is the desire of incompetent officials and ranking politicians itching for power to exert authority and gain points with the environmentalists."

Aren't the personal ambitions of bureaucrats costing our people too much? After all, at issue is the future of Russia. Today there are clearly apparent efforts to place Ukrainian nuclear power plants under the control of major Western concerns. A "Cherbourg parasol" has already been opened over Eastern Europe. Ukraine is in line, and then Russian nuclear power plants. The economic benefits are too great, which is why neither the French nor the British are concerned with "ecological problems". They know that safety can be ensured for deliveries of nuclear fuel from Krasnoyarsk to France. Strangely enough, our ecologists claim that this can't be done from France to Krasnoyarsk... One gains the impression that the interests of our French colleagues are more important than our own.

During his visit to Krasnoyarsk Kray, President Yeltsin will go to Krasnoyarsk-26. The authors of the letter will doubtlessly tell him that they have appealed to the government many times and that his presidential edicts are not being implemented. Boris Yeltsin will, evidently, reaffirm his decision, more, he will probably promise to punish those responsible for the red tape. But judging by the silence of government bureaucrats, who ignore appeals and are not that afraid of supervisory wrath, once again it will sink in the bureaucratic morass.

Khabarovsk Kray Duma Statute Published

944F10141 Khabarovsk TIKHOOKEANSKAYA
ZVEZDA in Russian 18 Jul 94 p 2

[Article By Khabarovsk Kray Administration Head V. I. Ishayev: "Statute on Khabarovsk Kray Duma"]

[Text] Chapter One. GENERAL PROVISIONS

ARTICLE 1. The Khabarovsk Kray Duma (henceforth, Duma) is the representative (legislative) body of governmental power for Khabarovsk Kray.

The Duma is a juridical person, and has an official seal.

ARTICLE 2. The Duma shall be elected by the citizens of the Russian Federation who permanently reside within the territory of Khabarovsk Kray; said elections shall be conducted on the basis of universal, equal and direct suffrage with secret ballot.

The Duma shall consist of 25 deputies elected on the basis of majority rule in single-mandate electoral districts (one district -one deputy) in the procedure defined in the Khabarovsk Kray Duma Statute. The Duma shall be elected for two-year terms.

ARTICLE 3. A citizen of Russia may be elected to the post of Duma deputy who, by the time of election:

—is no less than 21 years of age;

—permanently resides within the territory of the Khabarovsk Kray;

—is not a deputy of any other representative body of governmental power or local self-government.

ARTICLE 4. Deputies of the kray Duma shall carry out their activity in accordance with their deputy status as defined by legislation.

ARTICLE 5. No more than 10 of the 25 deputies in the kray Duma shall work on a permanent (professional) basis, and they shall not engage in any other paying activity other than academic, scientific, or other creative work.

The composition of the group of deputies working on a permanent (professional) basis shall be determined by decision of the kray Duma.

ARTICLE 6. The Duma shall elect standing committees and a credentials commission from among the deputies to serve during the extent of their term of office.

ARTICLE 7. The Duma shall assemble for its first meeting no later than 25 days following election. The head of the kray administration may call a meeting of the Duma earlier than the said time period.

The procedure for conducting the first meeting of the Duma shall be proposed by the organization committee.

Following the election of a kray Duma chairman, the authority to conduct the Duma meeting shall be turned over to him.

ARTICLE 8. The Duma shall work in accordance with plans approved at its meetings.

ARTICLE 9. The Duma's procedure for work shall be determined by a set of rules. The latter shall be adopted by a majority vote of the total number of elected deputies, shall be signed by the chairman presiding at the first meeting, and shall go into effect from the moment of its adoption.

ARTICLE 10. The powers of the Duma may be terminated prematurely at the initiative of no less than one third of the elected deputies of the Duma. The decision to effect the latter shall be adopted by a majority vote of two thirds of the established number of deputies in the Khabarovsk Kray Duma.

In the case of premature termination of the powers of the Duma, elections for a new Duma shall be held no later than four months from the day of the adoption of a decision to terminate the Duma's powers prematurely.

Chapter 2. JURISDICTION AND LEGAL FOUNDATIONS FOR THE ACTIVITIES OF THE KRAY DUMA

ARTICLE 11. The Duma shall carry out its activities in accordance with the Constitution of the Russian Federation and the Federative Agreement on Differentiating Between the Jurisdiction and Powers of Russian Federation Federal Bodies of Governmental Power and the Bodies of Power of Russian Federation Krays, Oblasts, and the Cities of Moscow and St. Petersburg. The Duma shall also adhere to other legislative acts of the Russian Federation, and to the given Statute.

ARTICLE 12. In areas of Russian Federation jurisdiction, the Duma shall have the right of legislative initiative.

In areas of shared jurisdiction between the Russian Federation and subjects of the Russian Federation, the Duma shall:

- have the right of legislative initiative;
- take part in resolving issues of shared jurisdiction.

Outside the jurisdiction and powers of the Russian Federation, in areas of shared jurisdiction between the Russian Federation and subjects of the Russian Federation, the Duma shall have absolute representative governmental power within the territory of the kray, in areas including:

- creating legal (legislative) conditions for resolving problems associated with the social and economic development of the kray;
- monitoring the administration of Russian Federation legislation and legal (legislative) acts adopted by the Duma in accordance with the Duma's jurisdiction.
- determining the legal foundations for the activities of the Duma, and the bases for organizing local self-government within the territory of the kray.

ARTICLE 13. The Khabarovsk Kray Duma:

13.1 Upon submission by the kray administration shall:

- determine the direction and priorities for kray budgetary spending; review kray social and economic development programs, in accordance with which the

budget shall be authorized; introduce changes into the budget; and confirm reports on the administration of the latter;

- determine how to spend means from kray budgetary revenues additionally received during the course of administering the budget, and revenue monies which exceed expenditures as a result of either an excess in the revenue portion of the budget, or savings in expenditures;
- adopt decisions regarding the conclusion of agreements by the administration with foreign partners for the sale and acquisition of goods by using kray currency reserves, or on an alternate basis.

13.2 Upon the submission by, or affirmative decision of the kray administration, the Duma shall establish or eliminate taxes, create tax exemptions, examine questions on changing kray financial obligations, and review other issues which involve expenses covered by the kray budget.

13.3 Upon the submission by the kray administration, or on an independent basis, the Duma shall:

- set fees, duties, tariffs, and rates for payments which, in accordance with existing legislation, fall within the jurisdiction of the kray representative body of governmental power;
- authorize a procedure for granting and confiscating land parcels for construction of federal, inter-regional, and kray public amenities;
- authorize a procedure for protecting and utilizing and cultural heritage and nature sites within the territory of the kray;
- authorize a procedure for managing and handling (transferring the ownership of) kray property, as well as federal property placed under the management, and at the disposal, of the kray;
- plan expenses and implement spending as provided for by the respective article of the budget which ensures the activity of the kray Duma;
- adopt a kray Charter and introduce changes to the latter;
- adopt a decision on conducting kray-level referendums in accordance with existing legislation;
- resolve problems related to the administrative and territorial organization of the kray;
- establish general principles for the organization of local self-government in the kray;
- determine the procedure and time frames for conducting elections to representative bodies of governmental power and local self-government within the territory of the kray;

ARTICLE 14. The Duma has the right to:

- legislative initiative in the Russian Federation Federal Assembly State Duma;
- submit draft acts for the review of the president and government of the Russian Federation, the adoption of which lies within the jurisdiction of the president and government of the Russian Federation;
- direct inquiries to the Constitutional Court concerning compliance with the Russian Federation Constitution of acts adopted by higher bodies of governmental power and authority in the Russian Federation;
- appeal acts adopted by the head of the kray administration or director of kray administration bodies;

ARTICLE 15. The resolution of additional issues defined by Russian Federation legislation also falls within the jurisdiction of the Duma.

Chapter 3. PROCEDURE FOR ADOPTING Khabarovsk Kray Laws, Normative Legal Acts, and Other Decisions

ARTICLE 16. The right of legislative initiative of the Duma belongs to the Duma standing committees and the deputies of the Russian Federation Federal Assembly and kray Duma, as well as to the kray administration and bodies of local self-government.

ARTICLE 17. The Duma shall administer legal (legislative) regulation through the adoption of Khabarovsk Kray laws, normative legal acts, and other decisions at Duma meetings.

ARTICLE 18. Khabarovsk Kray laws shall be adopted on the most important social and public issues in the kray; the said laws shall establish compulsory regulations, carry the greatest legal power in relation to the acts of all other kray bodies, and be in force throughout the territory of Khabarovsk Kray.

Khabarovsk Kray laws shall be adopted by a vote of no less than two thirds of the elected deputies in the Duma.

ARTICLE 19. Other normative legal acts shall be adopted by the Duma on the most general public issues in the kray. The said acts shall regulate specified types of social relations, be compulsory in character, and be in force throughout the territory of Khabarovsk Kray.

Normative legal acts other than laws shall be adopted by a majority vote of the total number of elected deputies of the Duma.

ARTICLE 20. In areas of shared jurisdiction between the Russian Federation and the subjects of the Russian Federation, the adoption of laws and other normative legal acts by the Duma shall be in compliance with federal laws on these issues.

ARTICLE 21. On issues of a non-normative nature, the Duma shall adopt other decisions, the procedure for the adoption of which shall be determined by existing legislation.

ARTICLE 22. Khabarovsk Kray draft laws, as a rule, shall be reviewed in three readings.

At the first reading the concept of the document shall be discussed and approved; at the second reading remarks and proposals shall be examined; and at the third reading the law shall be revised and adopted as a whole.

ARTICLE 23. Laws and other normative legal acts adopted by the kray Duma shall be directed to the head of the Khabarovsk Kray administration, who within a period of seven days shall sign and publicize them.

Prior to the expiration of the ten-day period following receipt of the document, the head of the Khabarovsk Kray administration has the right to return legal acts with justification as to the reasons for their return. If, after subsequent examination, the said legal acts are adopted by a majority of no less than two thirds of the elected deputies of the kray Duma, the head of the Khabarovsk Kray administration shall be obligated to sign and publicize them within a period of three days.

ARTICLE 24. Khabarovsk Kray laws, normative legal acts, and other decisions adopted by the Duma shall go into effect following their publication, if not otherwise provided for by Khabarovsk Kray law, normative legal act, or other decision.

ARTICLE 25. Khabarovsk Kray laws, normative legal acts, and other decisions of the Duma, adopted within the limits of the jurisdiction of the Duma, shall be compulsorily observed by the kray administration, all bodies of local self-government, enterprises, institutions, organizations - regardless of the form of ownership - public associations and citizens located in the kray.

Chapter 4. CIVIL OFFICERS

ARTICLE 26. The Duma chairman, the deputy chairman, the director of Duma staff, directors of the Duma staff departments, and their deputy directors are considered civil officers.

ARTICLE 27. The Duma chairman shall be elected for the extent of the two-year term from among the deputies at the first Duma meeting by secret vote. The chairman shall be considered elected if he secures more than half the votes of the elected deputies.

The chairman of the Duma shall:

- represent the Duma in its relations with the public, work collectives, governmental bodies of power and bodies of local self-government, enterprises, institutions, and organizations;
- call meetings of the Duma;
- direct preparation for Duma meetings and issues, submitted for review by the Duma;
- conduct Duma meetings and direct the agenda in accordance with Duma rules.

- sign decisions on internal organizational issues regarding the work of the Duma, to include decisions a normative character, in addition to meeting protocols, appeals, and other Duma documents of a non-normative nature;
- assign issues to the standing committees within their jurisdiction;
- adopt measures to guarantee openness, and ensure the consideration of public opinion in the work of the Duma;
- direct the work of the Duma staff, appoint and relieve directors of the Duma staff structural subdivisions;
- hire and dismiss support and technical specialists on the Duma staff;
- hold the right to impose disciplinary measures on Duma staff employees in accordance with Russian Federation labor legislation;
- render assistance to Duma deputies in implementing their powers; provide them with necessary information; examine issues connected with the release of deputies from official or job-related duties for work within the Duma, its bodies and/or electoral districts;
- organize the reception of citizens at Duma meetings, and the examination of their appeals, remarks and complaints;
- open and close current accounts for the Duma in banks and act as manager of said accounts;
- manage expenses stipulated in the kray budget for preparing and conducting meetings of the Duma, standing committees, and Duma deputies; manage expenses incurred in maintaining the Duma staff, and for other purposes related to the activity of the Duma;
- sign complaints on behalf of the Duma addressed to judicial bodies in such cases provided for by Russian Federation legislation;

The chairman shall issue directives on matters which fall within his jurisdiction.

ARTICLE 28. The deputy chairman of the Duma shall be elected from among the deputies at the recommendation of the Duma chairman by secret vote.

The Duma deputy chairman shall be considered elected if he secures the votes of more than half the elected deputies.

The deputy chairman of the Duma shall: perform functions in accordance with the distribution of duties; carry out separate tasking from the Duma chairman; and in cases of the chairman's absence or inability to discharge his duties, fulfill the functions of the Duma chairman.

ARTICLE 29. The Khabarovsk Kray Duma does not have the right to delegate its authority to the chairman, or any other official.

Chapter 5. COMMITTEES, COMMISSIONS (STANDING AND TEMPORARY)

ARTICLE 30. Duma standing committees act as the principle working bodies of the Duma, ensure the examination and preparation of issues submitted for the Duma's review, and assist in the implementation of its decisions.

ARTICLE 31. The powers, structure, and procedure for compiling and organizing the work of the committees shall be defined by the Duma in the Statute on Kray Duma Standing Committees.

ARTICLE 32. Duma standing committee chairmen shall be elected during a meeting of the Duma from among those deputies working on a permanent basis, by open vote, and shall be considered elected if said individuals secure a majority vote from the total number of elected deputies in the Duma.

ARTICLE 33. A deputy may be a member of one standing committee.

ARTICLE 34. A kray Duma meeting may form temporary committees on any issue related to its activities.

The procedure for election, the work, and rights of temporary committees are analogous to the procedure for election, the work and rights of standing committees.

The chairman, and if necessary, the members of a temporary commission can, by decision of the Duma, be released from their official duties for the period of time necessary to perform the task set before the commission.

ARTICLE 35. In accordance with the results of the activities of the temporary commission, a report shall be given at a meeting of the Duma on the essence of the issue, in connection with which the said commission was created.

Commission members who maintain separate opinions shall have the right to voice them at the Duma meeting.

ARTICLE 36. The activities of a temporary commission shall be discontinued by decision of a meeting of the Duma, or at the completion of its task.

Chapter 6. KRAY DUMA STAFF

ARTICLE 37. To ensure the organizational, legal, material and technical operation of the Duma, the Duma shall organize a staff of employees.

ARTICLE 38. The Duma employee staff shall operate on the basis of the Statute on the Khabarovsk Kray Staff approved by decision of the Duma, and in accordance with corresponding statutes on departments and position regulations for staff employees.

Chapter 7. LIABILITY OF THE KRAY DUMA, ITS CIVIL OFFICERS, AND SOCIAL SECURITY FOR CIVIL SERVANTS

ARTICLE 39. The kray Duma, its bodies and civil officers shall be held liable for the decisions it has adopted, as per existing legislation.

ARTICLE 40. Duma civil officers and the Duma staff shall be provided with social security in compliance with existing legislation.

Chapter 8. FINANCIAL, MATERIAL AND TECHNICAL SECURITY OF THE KRAY DUMA

ARTICLE 41. The financial, material and technical needs of the Duma shall be provided for with means from the kray budget

Chapter 9. MUTUAL RELATIONS OF THE Khabarovsk Kray Duma AND THE Khabarovsk Kray Administration

ARTICLE 42. The mutual relations of the kray Duma and the kray administration henceforth, until such time as new legislation is adopted, shall be regulated by existing legislation of the Russian Federation, the given Statute, and the Agreement on the Separation of Powers Between Bodies of Representative (Legislative) and Executive powers of the Khabarovsk Kray, approved by the Duma and signed by the head of the kray administration.

Chapter 10. FINAL/CONCLUDING PROVISIONS

ARTICLE 43. In the case that the given Statute comes into conflict with federally adopted laws, the provision of the law shall remain in force, and at the next Duma meeting the statute shall be brought into agreement with Russian Federation legislation.

ARTICLE 44. Amendments and changes to the given Statute shall be made if a vote is secured in favor of the latter of no less than two thirds of the total number of elected deputies in the Duma.

ARTICLE 45. The given Statute shall remain in force until the adoption of a Khabarovsk Kray Charter.

Maritime Kray Fixed Assets Reviewed

944F11134 Vladovostok KRASNOYE ZNAMYA
in Russian 27 Jul 94 p 1

[Article by V. Tarasova, deputy chief of the finance department of the kray statistical administration: "Reappraisal of Kray's Fixed Assets"]

[Text] For the purpose of determining the restoration cost of fixed assets (the cost of their reproduction in the current conditions) and creation of additional investment resources, the kray has conducted a reappraisal of fixed assets, unfinished construction, and equipment at warehouses of all enterprises and organizations regardless of their form of ownership.

The reappraisal did not include the cost of fixed assets in personal ownership of individuals (with the exception of assets of personally-owned registered enterprises), as well as the cost of historic and cultural landmarks. The housing (except that owned by individuals) was reappraised with the coefficient of one.

Before the reappraisal, the book value of fixed assets as of 1 January 1994 was appraised at R1.267 trillion; after the reappraisal it increased by a factor of 18.4. As a result, the restoration cost was appraised at R23.363 trillion. Fixed assets amortization was equal to 40.1 percent. The restoration value after taking amortization into account was appraised at R14.005 trillion.

The greatest increase in the value of fixed assets resulting from the reappraisal occurred in agriculture (by a factor of 25.7), geology and prospecting of mineral deposits (24), trade and public catering (22.3), operations with real estate (21.4), procurement (19.8), communications (19), and material and technical supply and distribution (18.9), and the smallest—in information and computer services, forestry, and support activities for the functioning of a market (up to a factor of 14).

By the category of fixed assets, the higher degree of wear and tear was registered in the means of transportation (49.8 percent), as well as machinery and equipment (46.6 percent).

The data was also obtained on the distribution of fixed assets by the form of ownership. As of 1 July 1992 the share of fixed assets owned by the state declined by a factor of 1.5—from 87 percent to 57 percent (R13.210 trillion). Accordingly, the proportional share of nonstate forms of ownership increased perceptibly: mixed private-state—from 0.1 percent to 26.8 percent (R6.269 trillion); private—from 11.6 percent to 15.4 percent (R3.591 trillion); and foreign and mixed ownership with the Russian and foreign participation—from 0.2 percent to 1.1 percent (R259 billion).

Now conditions have been created for enterprises to appraise their fixed assets in more realistic terms and calculate on this basis the amortization necessary for their future reproduction. This also provides the ability to bring taxes on property in line with the changed price level.

Moscow City Duma To Create Fund Compensating Defrauded Depositors

944F1124A Moscow MOSKOVSKIY KOMSOMOLETS
in Russian 19 Jul 94 p 1

[Article by Andrey Pronchik: "Frozen Deposits: Russian Rentiers Are the Most Impudent in the World"]

[Text] The city Duma is debating the question of creating in Moscow a fund to assist persons who have been the victims of crimes in the economic sphere.

The deputies' opinions have divided. Some, resting upon commonsense logic, felt that the creation of such funds would completely corrupt Muscovites who do not want to bear the responsibility for their own decisions, and

would shift the "headache" caused by the defrauding of the population by all kinds of companies, banks, investment funds, etc., to the head of the government and the Duma. Others, including Yegeny Myslovskiy, chairman of something called the Anti-Mafia Fund, who spoke at the Duma session, felt that the activities of the criminal financial structures in Moscow have victimized at least approximately 30,000 Muscovites, who lost more than 20 billion rubles, and that this kind of fund is necessary.

The defrauded depositors have rallies in front of monuments and in public squares, and the deputies have rallies in the conference auditorium. The topic is the same—how to get the money back. The approaches are different.

As long ago as last spring, when certain firms were unable to pay their dividends or to return the money that had been taken from the population, one began to sense in society the beginning of mass hysteria with regard to the lost illusions about getting rich quick. Having failed to evaluate the expected risk and having believed the promises made by the advertisements, people showed up not in front of the withdrawal windows in the banks, but in the street. Various committees to protect depositor rights began to appear spontaneously. There was no kind of connection or interaction among the committees. But that was not required. True, people say that misery loves company, but what we saw here first of all was the activation of individual financial interests of each group of defrauded victims.

There are very few among the rank and file of those defrauded who knew, or know to this day, that the money from the accounts of insolvent companies or companies whose managers had been caught while engaged in dirty tricks has settled in a Tsentrbank [Central Bank] account called "Deposits of Law-Enforcement Agencies."

It turns out that these "agencies" of ours are not really so poor. The millionaires are in no hurry to return the money from the deposits. Instead, they hide behind all the complexities in the investigations. For the militia, money is "veshchdok" [material evidence]. So who would part with that kind of "veshchdok" without rhyme or reason?

Nevertheless the confiscated amounts of money are being kept under the state's care and, once again, it will not be possible to "cancel" them. The bureaucracy sometimes has its own positive aspects. It's simply that this money cannot be removed or put into circulation.

Some of the deputies who are "close to the defrauded people" want their own fund. A nonbudgetary fund. Consequently, a fund that is not monitored by a bank. It is not monitored to the degree to which the militia deposits are monitored (one would hope).

So the deputies plan to transfer to this fund (directly?) the money from the accounts of the firms that have gone

bankrupt. Then that money will be transferred to commercial banks—to deposits. And the victims will begin to be paid compensation with a consideration of inflation.

That idea was expressed by Duma chairman Vladimir Platonov. Did he propose it himself, or was he prompted to do so? And if he was prompted, by whom?

According to our information, the persons who suffered from "NNK" (you will recall that there was such an "Independent" [*nezavisimyy*] and "Petroleum" [*neftyanoy*] one, or, rather, a kind of "initiative group" already has its own office and its own account. A "victims" [committee] has been organized from those who gave 20 million to "NNK." Now, in exchange for those 20 million, having intimidated the Moscow government by a demonstration carried out by the depositors in front of the Dolgoruki monument, and having gotten himself an office in downtown Moscow without paying a single kopeck, this gentleman, who calls himself the leader of the initiative group, is engaging in nobody knows what. But one thing is understandable: for coordination committees, committees to protect people's rights, and all other "kombeds" [disaster committees], it is important to beat people into getting your money back. But why do they need offices downtown or their own accounts, which people in the governmental circles issue right and left, just so long as people leave them alone?

But the defrauded people already have become bolder, forgetting that they lost their money basically because of their own stupidity and greed. So they are defrauding people just like themselves.

Who needed the fund in the city Duma? Why this obvious delirium? Why cannot the money be issued to people after the appropriate militia investigations?

How can one compensate the money from a single fund to people who were defrauded by "NNK," "Fin Fort Trejding" [Fin Fort Trading], and "Tekhprogress" [Technical Progress]? All these companies had various guarantees, interest, and promised dividends.

You might recall Lenin's expression: "a joint decision, but personal responsibility...."

At the first hearings, by a majority of the votes, the city Duma rejected the adoption of a decision to create a fund to compensate the victims of fraud. If today the defrauded individuals do not know whom to beat up, they will beat up the deputies tomorrow, because, with the creation of the fund, the path to the return of the money becomes longer. True, the decision was made to return to the discussion in September. So the fiasco is not over yet.

P.S. Since the beginning of the summer, the editorial office has received hundreds of telephone calls of the sort "We made deposits, and they 'deposited' on us!" People ask if they can write in the newspaper, describing how

they were defrauded. This is simply nationwide masochism, mixed with complete irresponsibility. Many people among us already assume that someone—Luzhkov, the deputies to the city Duma, journalists—ought to decide certain people's purely personal problems.

But nobody lassoed you and dragged you into a bankrupt bank, a failed trust, or a dishonest fund. To quote those who were "deceived," "You take everything under your control and we will just continue to get our dividends calmly."

But that will not happen. Dividends have to be earned. And earned primarily by using your head. If you don't have a head, then Luzhkov and the city Duma won't help you.

Law on Publication, Implementation of Moscow Laws

944F1124B Moscow MOSKOVSKAYA PRAVDA in Russian 12 Jul 94 p 1

[Law: "Moscow City Law Governing the Procedure for Publishing and Implementing Moscow City Laws"]

[Text] This Law is introduced in conformity with Articles 15 and 76 of the Constitution of the Russian Federation and defines the procedure for publishing and implementing Moscow city laws.

Article 1. Moscow city laws are subject to mandatory publication in VEDOMOSTI MOSKOVSKOY DUMY, as well as in the TVERSKAYA, 13 and MOSKOVSKAYA PRAVDA newspapers.

Moscow city laws can be published in other printed publications and announced by television and radio.

Article 2. Publication of Moscow city laws in VEDOMOSTI MOSKOVSKOY DUMY, and in the TVERSKAYA, 13 and MOSKOVSKAYA PRAVDA newspapers is official publication.

The publication of Moscow city laws in other publications is considered official only in the event of a special Duma decision.

Article 3. A Moscow city law goes into effect ten days after its first official publication, unless other indicated in the decree concerning the implementation of the particular Law.

[Signed] Yu. Luzhkov, mayor of Moscow

[Editorial comment] By decree of the Moscow City Duma, Moscow City Law entitled "Procedure For Publishing and Implementing Moscow City Laws" goes into effect on the day of its publication.

Businessmen Appeal Against Organized Crime

944F11021 Moscow SEGODNYA in Russian 23 Jul 94 p 1

[Businessmen's open letter B.N. Yeltsin: "An Edict Is What You Wish To Make of It"]

[Text] More than a month has elapsed since the moment the edict was signed, and it was not that long since that our newspaper was reporting its efficacy on the basis of data of the MVD [Ministry of Internal Affairs] of Russia. They were very promising. To accommodate persons detained in execution of the edict for 30 days it was necessary, in particular, to activate even all the medical and labor treatment centers that had been urgently closed down. But there came into the paper's possession yesterday one further document directly connected with the president's recent sensational edict and expounding a literally opposite viewpoint. For technical reasons, unfortunately, the text is reproduced in abridged form. The newspaper is in possession of the full document.

Open letter to B.N. Yeltsin, president of the Russian Federation.

Esteemed Boris Nikolayevich!

In connection with the fact that an active campaign to notify the public of the "dazzling" successes of the law enforcement authorities in execution of your edict "On Urgent Measures To Protect the Public Against Gangsterism and Other Manifestations of Organized Crime" has been mounted in the news media as of late, we, as people who are oppressed first and foremost by the criminal groupings, are forced to address you via the press with an explanation of our position on these matters.

We really are aware that it is a great distance from the letter of the law to its actual execution, but when attempts are made to persuade us that white is black, and black, white, we can only picture this in a theater of the absurd.

State officials of various levels are speaking effusively in the press and on television and radio channels about the intensification of the fight against crime. It is emphasized here that your edict has afforded the law enforcement authorities a basis for more decisive action in defense of the citizens against criminals.

We cannot, unfortunately, agree with these claims. Moreover, these statements are lulling public opinion, disorienting the citizens, and preventing the state authorities from realistically evaluating the state of law and order and legality in the country.

We may maintain with all due responsibility that the territorial militia authorities are frequently doing nothing to put a stop to criminal actions, are displaying irresolution and indifference toward the petitions of private entrepreneurs, and are attempting to organize the discharge of their functions on a fee basis.

It is no accident that the vast majority of businessmen are forming their own security services and literally barricading their offices, placing no reliance on state protection.

It reached the point where our firms' security personnel prevented an attempted assassination of an executive, detained a particularly dangerous criminal, found fire-arms, collected material evidence, and questioned witnesses and handed all this over to the territorial militia division, where the work that had been performed was perceived as a needless burden, and it was only the intervention of officers of the Main Administration for Combating Organized Crime of the Russian Federation MVD that prevented the criminal from being released.

Impudently and openly demonstrating their power, militants demanding the return of "their" money have in the past six months been coming to our offices. The law enforcement authorities' investigation of such persons has been ineffective, as a rule, and in a number of cases their response has been negative not in respect to the "unbidden guests," what is more, but to those who summoned them. We could furnish numerous examples and factual material on this score.

The latest glaring incident forced us to address this letter to you.

For reasons unknown, a broad-based tendentious check on the activity of our firms on the part of the Department for Combating Economic Crimes of the Internal Affairs Administration of Moscow's Yuzhnyy Okrug began recently. Acting at the instigation of a bank that is, in fact, directed by a criminal structure (which is characteristic of other banks also), militia officers have high-handedly intruded into the sphere of civil-law relationships and are attempting to smear the leaders of the firms and break up the evolved partner ties. We are being told quite openly that if the other party's terms are met, the terror and provocations in respect to the leadership of the firms will end.

In our view, such actions discredit your edict and undermine faith in the power of the authorities and the capacity of the state for protecting the rights and interests of honest people.

Who is protecting whom, one wonders. And whose interests do the law enforcement authorities represent? What laws operate, specifically, on the territory of the capital's Yuzhnyy Okrug—those of gangster license or of the Russian Federation.

We appeal to you, esteemed Boris Nikolayevich, and we are sure that we will be supported by many businessmen, with a request for an end to be put to the orgy of crime, for the efforts of the law enforcement authorities to be channeled into the fight against crime, not an imitation of this fight, and for the decisive unification of the efforts of the state, public organizations, and commercial structures for the real protection of Russians against criminal endangerment and for you to really be a dependable guarantor of stability and legality in the country.

[Signed] Respectfully,

O. Ivanov, general director of the Lik limited-liability partnership

A. Ilin, general director of the Ansi stock company

S. Krylov, general director of the Gefest stock company

L. Ostapov, executive director of the Dialekt stock company

A. Novikov, general director of the Viktoriya-Brok stock company

A. Gribkov, general director of the INFRA limited-liability partnership

O. Degtyarev, general director of the King-Khung stock company

V. Anufriyev, general director of the Atlantik stock company

V. Vatov, general director of the Viking stock company.

Sobchak on Economic, Political Benefits From Goodwill Games

944F1077A Moscow NEZAVISIMAYA GAZETA
in Russian 20 Jul 94 p 6

[Interview with Anatoliy Sobchak, mayor of St. Petersburg, by Yuliya Kantor: "Anatoliy Sobchak: 'Russia Has Won in the Goodwill Games'. The Mayor of St. Petersburg Is Convinced That the Entire World Will See the New Character of a New Country"]

[Text] [Kantor] Mr. Sobchak, there exists a rather widespread view that, by expending colossal sums for the preparation and conduct of the Goodwill Games, the leadership of the city, with the mayor at the head, is engaging in an undertaking of by no means paramount importance and is least of all concerned with its needs. To what extent is this opinion justified?

[Sobchak] The best answer to this question is, probably, the present state of St. Petersburg, its historic center, itself. Practically all the buildings on Nevskiy Prospect and other main streets have been repaired, many architectural monuments, the necessity of whose restoration was obvious, have acquired a deserving appearance. Moreover, during the time of preparation for the Games, St. Petersburg received two modern underground passages located in the busiest spots. With the participation of Western firms, sports installations that were ruined by the years and in the majority had gone completely unused have been restored in a first-class manner. For all this, significant funds were required. Had there been no Games, we would not have succeeded in obtaining them.

[Kantor] How are the Goodwill Games being financed?

[Sobchak] The preparation for the Games and their conduct are being financed from a number of sources. One of them is the joint-stock company "Goodwill Games", the second is means of the organizational committee. This is where the sums collected from the sale of the rights to the use of the symbols of the games and money from sponsors went. And, finally, the lion's share belongs to budgetary financing.

Thanks to decisions of the State Duma and directives of President Boris Yeltsin concerning the unconditional financing of the Games, we, although with some delays, have liquidated all the debts to subcontractors during the past months. For the completion of work on the reconstruction of sports installations, besides the sums already expended, we should receive an additional R29 billion. Up to now, not all these funds have reached the banks of the Neva, and for this reason a great deal is being done on credit. Settlements will be made in accordance with the arrival of funds from Moscow.

Incidentally, a significant part of the work is being done completely free of charge by thousands of volunteer townspeople, who understand that the Games are a common cause.

[Kantor] We have traditionally "taken a long time to get harnessed": You have already mentioned the financial delays, but it is also no secret that in some sectors, instead of 2-3 work shifts, only one was in operation. Will it now prove possible, with the help of "going into high gear", to complete everything at the appropriate level by the beginning of the Games?

[Sobchak] The basic work is practically completed in all installations without exception. There were problems, as well as manifestations of bad management, but all of this has been overcome. A colossal amount of work has been done, and only minor "mopping up" work remains. I am convinced that everything will be done on time and conscientiously.

[Kantor] An enormous amount of funds and labor has been expended for the Games. Are there concrete plans for the use of the sports installations after the festival?

[Sobchak] The government will see to it that they will not be empty. I have on my desk a finished directive concerning the reconstitution of the "Zenit" Sports School for Children. We will find the funds to train successors to our soccer players, field and track athletes, and representatives of other types of sports. We will also utilize the rowing canal that has been repaired for the Goodwill Games. Plans are under way to hold city and international contests on various levels in the stadiums.

[Kantor] What, in your view, will become the chief "non-sport" result of the Games for St. Petersburg?

[Sobchak] Within the framework of the Games, political discussions and meetings of businessmen will be held. This will make it possible for the city to become more quickly integrated in the European world and to increase the interest in it on the part of businessmen in the West. But the main thing, it seems to me, is the advertising of St. Petersburg. In the course of 2 weeks, television in 145 countries several times a day will transmit reports on the Games. The myth of the city "being closed" [zakrytost'] will be completely dispelled.

In the most important international competitions, in the interval between the Olympic games, more than 3,000

sportsmen will take part, among which there are many "stars," which will increase the prestige of St. Petersburg. The equipment of the city with services and utilities is also a result of considerable importance, and a result that is not "momentary."

In general, the Goodwill Games are of a level that will make it possible to rise to a new qualitative level, to demonstrate to everyone and, first of all, to ourselves, that we can hold such events on a sufficiently high level.

[Kantor] The "openness" of St. Petersburg to all those who desire, all the more after the impressive show of its objects of note, evidently, call forth the influx of a larger number of tourists to the banks of the Neva. Is the city ready for this?

[Sobchak] The advertisement of St. Petersburg, about whose utility I have already spoken in replying to a previous question, is necessary in many respects for the attraction of tourists. International tourism must and should become one of the important items of income. At present, St. Petersburg receives no more than 2.5 million visitors a year, but, let us say, Prague, to which our city is by no means inferior in terms of potential possibilities—about 20 million, having in so doing, an annual income of \$15 billion. And there are many such examples.

In St. Petersburg, thousands of jobs in the service sphere have been created. These are first steps, and if it proves possible to organize the undertaking professionally, then already after a few years tourism will become a significant source of income for the city.

[Kantor] Did St. Petersburg gain from the Goodwill Games?

[Sobchak] Without a doubt. Not only St. Petersburg, I think, but also all of Russia gained from the Goodwill Games. You know, through the "window on Europe" the world will see the new character of a new country.

[Kantor] What will the 2 weeks of the Games be like for you?

[Sobchak] These days will be very saturated for me since, in addition to the everyday worries of a city governor [gradonachal'nik], a multitude of others will appear—as chairman of the organization committee, I will be in the know of all events taking place during the competitions. I also will have to carry out a number of pleasant and honorary functions, such as the presentation of awards to the victors. I hope that nevertheless I will find the time to be at the games as a spectator.

Presidential Envoy in Petersburg on Role, Responsibilities

944F1077B Moscow ROSSIYA in Russian
No 27, 20-26 Jul 94 p 2

[Article, written as first-person account, by Yuriy Svetlov, correspondent of ROSSIYA, based on meeting with Sergey Tsyplyayev: "Double" Representative of the President]

[Text] How much criticism has been heard that is directed at the post of presidential envoy in the provinces. And nevertheless it has been preserved up to now, perhaps thanks to such people as Sergey Tsypliyayev, native of St. Petersburg, the representative of the president of Russia in St. Petersburg. He is young, well educated: Faculty of Physics of the university and the Department of Administration of the Academy of National Economy under the Government of the Russian Federation. Has the degree of candidate of physics and mathematical sciences. Work experience of a scholar, manager, and people's deputy. And recently, by way of combining jobs, appointed plenipotentiary of the president of Russia in the Interparliamentary Assembly (IPA) of the participant states of the CIS. To date this is the only such case.

Our correspondent met with the "double" envoy of Boris Yeltsin and asked him to tell about his work.

For the resident in St. Petersburg there exist two incomprehensible institutions that do not touch him in everyday life—the representation of the president in the Mariinsky Palace as well as the representation in the IPA in the Taurida Palace. Now they are, as it were, united in my person. . . . But these are completely different responsibilities, connected only in as much as I represent the president of the Russian Federation in the city—the place of residence of the IPA.

My responsibilities are divided as follows: The first is contact between the president and the IPA. The second is the solution of a complex of problems connected with the fact that the IPA is located in Russia, in St. Petersburg. These include also the determination of the status of this international organ and its employees, the use of property—in short, a whole range of contractual and legal problems. For the time being, the work is at the very beginning.

The ordinary citizen may ask: But why should we, strictly speaking, have the IPA? But, you know, we are not the first ones here. Such institutions exist in Europe (the European Parliament), Asia, Latin America, and Africa. Such a unified parliament is an important mechanism for the integration of countries and peoples. I was a member of the delegation of the USSR Supreme Soviet that took part in the work of the Parliamentary Assembly of the Council of Europe (for Russia the status of a special invited [observer] was reserved), and I studied its activity. There two types of documents are elaborated. The first is conventions on various questions, including on human rights. The second is the development of model legislation; you know, the main difficulties lie in the functions of national laws.

Our Assembly succeeded in developing model ecological legislation. We have discussed the progress of the work on a model civil code, we have examined recommended legislative acts regulating the economic relations within the framework of the Economic Union.

In general, the Assembly is experiencing its second birth. A process of getting accustomed [pririrka] is under way. New members are appearing, for example—Moldavia.

Many Russians are concerned about the situation of the Russian-speaking [population] in the former countries of the CIS. Long work lies ahead here: Negotiations, political steps, sometimes also demarches—without them you also will not manage. The RF Constitution establishes human rights on the basis of international agreements, and we expect this from all our partners. No one in the Commonwealth should feel encroached upon, so as to find it necessary to go into the street with arms to defend his interests.

Now we have to come to an agreement concerning a customs system, cultural exchange, and the movement of people across borders.

My functions as representative of the president in St. Petersburg include the following: To represent the president in relations with the organs of power, public organizations, and citizens, to protect their constitutional rights; to inform the president and his administration about the socio-political processes in the region, calling special attention to cases of the violation of stability. I prepare analytical materials and day-to-day [operativnyye] memoranda. The next task: I monitor the implementation of the edicts of the president and the government, I see to it that local laws do not contradict them. And, finally, the coordination of the activity of the federal organs of power that are located in this territory.

Do I frequently associate with the president? Upon my appointment, I had a detailed discussion with him in private. Then we met five times or so during visits by Boris Yeltsin to St. Petersburg and at conferences in Moscow. I have the right to call him, but I prefer to decide everything here or to go to the Administration of the president. One should not burden the first person in the state with regional problems, but get to the bottom of them on the spot. Although my staff is small—7 people. I have been promised that another five will be added in connection with the work in the IPA. I receive a salary for one post, with additions for length of service and my qualifications, it comes to R537,000 a month. I receive many letters. Last year there were about 2,000. I hold receptions for citizens. Among the complaints are, first of all, housing, violations of the law, and then privatization and land questions.

Petersburg Deputy Assesses Duma Session

94411054 St Petersburg SANKT PETERBURGSKIYE VEDOMOSTI in Russian 27 Jul 94 p 4

[Interview with S.A. Popov, by Ye. Dolgopyatova; place and date not given: "These Six Months Have Not Been in Vain: Opinion of a Deputy of the State Duma"]

[Text] Sergey Anatolyevich Popov, a deputy of the Duma from St. Petersburg, works on the Budget, Taxes, Banks, and Finance Committee and is a member of the Russia's Choice faction. He is also president of the Association of Commercial Banks of St. Petersburg.

[Dolgopyatova] Sergey Anatolyevich, our readers often complain that more than modest information concerning the activity of members of the Duma comes down to them. Many assume that the deputies are engaged in factional struggle—this being why so few laws have been adopted thus far. What is actually happening. Are the news media to blame for the creation of such an image of the Duma members, or are you being rightfully abused?

[Popov] The media are always to blame, of course, but in this case not so much as it might seem. The executive power structures are to blame.

[Dolgopyatova] In what way?

[Popov] They are failing to create normal conditions. The government did not make normal premises available to the Duma and failed to provide many people with working conditions. This largely impeded the organizational period. It dragged on for six months. Now we have moved to new premises—the former State Planning Committee building on Okhotnyy ryad. And once again things have started out in torment—we are working under renovation conditions. This, in my view, is the main factor that is constantly hampering the deputies.

Generally, the Duma is the long-awaited, but not all that beloved, child of the president. Whatever the case, the president has not once put in an appearance at the Duma, has not once spoken.

The Duma consists, like any outfit, of a vast number of people of the most diverse views. This necessary meshing and get-to-know period had to be negotiated also. But active work has already begun now on the bills. Considering that each bill has its own preparation cycle, much has been done. Very many laws are pending. A whole series of votes on documents with which the deputies have familiarized themselves and discussed in committee is under way, and amendments have been offered. Very important decisions, in my view, have been adopted on the budget and on issues connected with social protection—on an increase in the minimum wage and on a 1.4-fold rise in pensions.

Not only has the position of each faction been determined in the process of work, some compromise has been reached also.

[Dolgopyatova] Which factions have the most mutually antagonistic relations, incidentally?

[Popov] It seems to me that the Liberal Democratic Party of Russia faction is the most disposed toward confrontation with any political forces, and its demarches are simply unpredictable. There is some a priori negative imprint on our Russia's Choice faction, unfortunately. A whole number of deputies has a clearly expressed negative attitude toward Russia's Choice because, evidently, its leader, Yegor Gaydar, was the father of economic reform, which he pursued in 1992. And many people consider him to blame for all the

negative consequences, although the government has for more than 18 months now been headed by entirely different people, who have been pursuing a different policy. Not the policy of Gaydar but the policy of Chernomyrdin. The majority, however, believes, as before, that the government consists of Russia's Choice supporters.

[Dolgopyatova] Let us return to the relations of the executive and the legislature. The Duma recently by its generous decision raised the minimum pension from 1 August by a factor of 1.4, for which thanks be to the deputies from all pensioners. But is the government prepared to make provision for these payments? Will money be found in the budget for fulfillment of the new federal law and also for support for the entire social sphere?

[Popov] Yes, there is a problem here. But the virtue of Chernomyrdin's government is that it is capable of withstanding the pressure of sectoral lobbying. It could pursue a strategic policy of not exceeding a particular budget deficit and of preserving the stability of the ruble—the national currency. But there could be the following version also: A decision has been made to fund certain sectors, but it cannot be backed by tax receipts and, consequently, cannot be fulfilled. This will signify a sequestering of budget expenditure (a suspension, that is) and the underfunding of the social sphere.

The same thing is happening with the Retirement Fund. It is independent of the budget—it is formed separately, chiefly from enterprise income. As a result of the present fall in production, the income of the Retirement Fund has fallen sharply. And there is the probability that the Retirement Fund will have insufficient resources for these payments.

[Dolgopyatova] So a situation in which retirees will once again be waiting months for an increase in their pensions is possible?

[Popov] It is, unfortunately. Everything will depend once again here on the pursuit of structural policy in the economy and the adoption of decisive measures to stabilize the latter.

[Dolgopyatova] Sergey Anatolyevich, you have been actively involved in recent months in the preparation of bills on matters of taxation, the budget, and banking activity. What innovations are contemplated here?

[Popov] There was a discussion before the summer recess of two very important bills—on banking activity and the Central Bank. These documents lay the foundation—the structure—of Russia's economy. We have now switched to the market, and instead of state planning, which was earlier practiced via such a body as the State Planning Committee, the principal component of the market economy will be a financial banking system. And the further development of the economy will depend on what form it takes. That is, the Central Bank currently is

roughly speaking, yesterday's State Planning Committee. Banks are the commercial enterprises that have essentially assumed the function of planning in the regions today.

[Dolgopyatova] There is already widespread information to the effect that it is contemplated limiting the rights of the Central Bank. Is this the case?

[Popov] On the one hand, the Central Bank is being given additional rights to monitor the banks and the institutions that are involved in banking activity without being licensed. On the other, a change in the Central Bank management structure is contemplated. A two-tier system is proposed. There will be a council of directors headed by the chairman of the board of the Central Bank, and above it there will be in addition a management board, that is, a supreme collegial body that will determine the strategy of monetary policy in Russia.

[Dolgopyatova] And is not this bill an attempt if only indirectly to sideline from power Viktor Gerashchenko?

[Popov] No, this is not the case. It is simply that when one man, like an autocrat, acquires immense powers, this is not always to the benefit even of the person himself. When a collegial management body is formed, and this is where all countries are, this is the best version of stability.

The Central Bank of Russia should be entirely independent and not subject to political struggle or the pressure of individual lobby groups.

Petersburg's Foreign Investment Prospects

944F1132A St. Petersburg *NEVSKOYE VREMYA*
in Russian 29 Jul 94 p. 1

[Interview with Aleksey Kudrin, first deputy chairman of the St. Petersburg government, conducted by Boris Vishnevskiy: "Taxes Are a Subtle Tool"]

[Text] [Vishnevskiy] It would seem that our government is so attractive—why aren't investors rushing to us? What do we lack from their viewpoint?

[Kudrin] In principle, we have practically everything—if only the federal government wouldn't interfere and legislation would not be so constantly changeable. I can cite a couple of the freshest examples that could kill any interest in investments. The first: last year's presidential edict to the effect that norms worsening the conditions of their activities could not be applied to foreign or joint enterprises. Local bodies of authority may not take such decisions, either: if a certain tax rate has been adopted, the local government has no right to increase it. Our own businessmen can be "squeezed" as much as one likes, but don't touch the "foreigners." That would seem to be good for Western investors, but at the same time their activities in our country are placed under some sort of strange conditions (the Evropa Hotel, Lenraumebel and others have gone through this). They operate using

foreign credit when they have just come to our country and started to operate—they figure up their program, take out loans with Western banks, draw up a schedule, and during that time a value-added tax is introduced. Moreover, after a little while it is increased and it begins to be collected retroactively. And then: this year the profits tax is increased, and a special value-added tax (another three percent) starts to be collected to support key branches of the economy, and there are no guarantees that the tax press will not be further increased, and increased in an unpredictable fashion. In general, taxes are a very subtle economic tool; they should be stable and predictable, or else there will not be any results. And finally, customs duties have been increased and, for all practical purposes, a tax has been imposed on the importation of capital and investments in Russia have been subjected to taxation. What will we achieve? The result that, as is presently occurring, Estonia will continue to receive more investments in a year than Russia?

[Vishnevskiy] Of course, a normal person cannot conceive of that. But what ways do you see out of the situation you have described?

[Kudrin] Today Petersburg occupies seventh place in the country in terms of the amount of investments, behind only Moscow and the petroleum-extractive regions. Of course, Moscow is a special region where about 80 percent of all Russia's financial resources circulate, and Tyumen or Novosibirsk have also been able to obtain more foreign investments. But I believe that even we today have found a form of work that will enable us to obtain credit for investments without guarantees from the Russian government. An arrangement has been worked out in conjunction with foreign banks and makes it possible to obtain funds under local guarantees—not backed by petroleum but backed by that which our city can offer. First and foremost, this means our unique real estate (taking the factor of the city's geographic location into account), our developed transportation systems, and our scientific and production potential. Of course, these mechanisms require more precise legislation, but we are still hoping for success.

Trilateral Agreement Signed in St. Petersburg

944F1132B St. Petersburg *SANKT PETERBURGSKIYE VEDOMOSTI* in Russian 29 Jul 94 p. 1

[Article signed by Public Relations Administration of St. Petersburg Mayor's Office: "Trilateral Agreement. Implementation Plan"]

[Text] A city government plan of measures for 1994 has been approved for the implementation of the trilateral agreement that was concluded in May and June among the city Federation of Trade Unions, the St. Petersburg Union of Associations of Industrialists and Entrepreneurs, and the government.

It consists of nine sections. The first pertains to incomes and the living standard. "The government shall seek out

possibilities," one of its points states, "to pay supplements to the wages of employees in the branches funded by the city government with due regard for the minimum living income." The Economics and Finance Committee is required to seek out possibilities for providing financial support from the city budget to enterprises financed out of the republic budget.

The government has pledged, in particular, to promote the employment of the population and the development of the labor market. An employment program has been drawn up that includes providing enterprises in priority branches of the economy with state and municipal orders. In conjunction with employers, the Economics and Finance committee is to provide job placement for at least 33,000 unemployed citizens, especially in the priority branches of the city's economy. The Committee on Labor and Employment is to analyze the financial state of enterprises that have announced mass layoffs of employees and to provide the necessary assistance in the form of tax breaks and easy-terms credit and subsidies, and is also to allocate from the employment fund, on a contractual basis, at least 6 billion rubles for implementing projects for the creation of new jobs at such enterprises, for example, as the Nevskiy Zavod Production Association, the Avangard Open-Type Joint-Stock Company, the Izmeron Open-Type Joint-Stock Company, and a number of others.

From the standpoint of social guarantees, a comprehensive, long-range program for the social support of the city's young students has been drawn up that includes the maintenance of law and order in student dormitories, reduction of the cost of special food service, the operation of student preventive-care facilities, and the maintenance of student clinics.

The Housing Committee of the mayor's office has been ordered to draw up and approve a plan for the allocation of living space opened for occupancy in 1994. And in accordance with the plan of the Transportation Department and the Committee on Social Problems, free transportation on municipal transport (except taxis) is being preserved for pensioners and other categories of citizens who enjoy that benefit.

Petersburg Hotels Taxed to Promote Tourism

944F1132C St. Petersburg SMENA in Russian
29 Jul 94 p 1

[Article by Nataliya Ipatova: "Hotels Will Help Tourism"]

[Text] There is one more local tax in Petersburg—as of 1 August city hotels must pay a special tax for the development of the infrastructure of Petersburg's tourist complex.

City authorities hope that the new tax will help improve the financing of the city's tourist facilities

The tax rate is determined according to the total number of accommodations in a hotel (regardless of their use). For example, the Astoriya must pay \$160 a day, the Yevropa—\$140, Nevskiy Palas—\$120, the Olimpiya—\$36, and the Kommodor Hotel—\$40 (all must pay \$0.20 per day for each hotel accommodation). The Pribaltiyskaya Hotel, the Pulkovskaya and Petergof will pay, respectively \$360, \$240 and \$27 a day (\$0.15 per accommodation each). The rest of the hotels will pay a tax based on \$0.10 per accommodation per day.

The tax is to be paid monthly and credited to the city budget, from which it is to be reallocated to the fund for the support of the development of tourism in Petersburg.

Youth tourist facilities, suburban kindergartens, vacation facilities for schoolchildren, educational camps and sanatoriums, as well as new hotels (for six months), are exempt from payment.

In the future the rates may be changed—by 1 January 1995 it is proposed to conduct a certification of hotels on the basis of which they will be assigned class rankings.

Economic Briefs From St Petersburg

City, Oblast To Review Lenenergo Rate Increases

94P50180A St. Petersburg SMENA in Russian
4 Aug 94 p 1

[Unattributed item: "The City and the Oblast Do Not Believe Lenenergo"]

[Text] Petersburg and Leningrad Oblast intend to coordinate their actions regarding review of the rates for electric power.

In the beginning of July, Lenenergo proposed a 1.75-fold rate increase. However, Lenenergo did not provide an account of its actual expenditures for the first half of 1994. The city and oblast administrations do not intend to approve new rates without information on how much money Lenenergo spent on wages, social needs, purchase of raw materials, and so forth.

Metro Construction Debt Discussed

94P50180B St. Petersburg SMENA in Russian
4 Aug 94 p 1

[Unattributed item: "The Metro Will Pay Its Debts"]

[Text] The 30 billion ruble debt for financing the metro is supposed to be paid off in August. This became known during the meeting between representatives of the mayor's office and the Russian deputy finance minister, director of the Federal Treasury A.V. Smirnov.

During the meeting the possibility of financing federal programs through the city treasury administration was also discussed.

Russian-Finish Enterprise Produces First Ship Engines*94P50180C St. Petersburg SMENA in Russian
4 Aug 94 p 1*

[Unattributed item: "They Are Still Building Ships Here"]

[Text] The first four ship engines have been assembled by the joint Russian-Finnish enterprise which is part of the "Russian Diesel" association (Vsevolzhskiy Rayon of Leningrad Oblast).

Two other similarly powerful engines are still being tested. The enterprise is currently developing new models of aggregates for the broadest use.

Catalogue of St Petersburg Stores Published*94P50180D St. Petersburg SMENA in Russian
4 Aug 94 p 1*

[Unattributed item: "It's Good To Know About a Store"]

[Text] A regular catalogue of our city's stores in existence in the first half of 1994 has been published in St. Petersburg.

It contains information about the 3,600 stores divided into 13 categories. For example, trade in food products has 11 categories. The publication includes address, telephone number, information about the management and the trade turnover of the enterprise.

INTERNATIONAL AFFAIRS**January-May Foreign Trade Statistics Reported***94Q0438A Moscow SEGODNYA in Russian
16 Jun 94 p 3*

[Unattributed Article: "Export Grew by 8.6 Percent, Import Fell by 31 Percent"]

[Text] Foreign trade turnover in Russia for January to May 1994 fell by 7 percent in comparison with the same period last year, totaling 23.5 billion dollars according to specific data of the Goskomstat [State Committee on Statistics].

Export increased 8.6 percent reaching 16.7 billion dollars (in May export deliveries reached four billion dollars, as compared to 2.5 billion, 3.0 billion, 3.5 billion and 3.8 billion dollars in January, February, March and April, respectively). Export to industrially developed countries grew by 11 percent, reaching 10.5 billion dollars, and to developing countries by 8.6 percent at 2.2 billion dollars, and to all others by 2.9 percent, totaling 4.1 billion dollars. Principle raw material exports increased: petroleum by 11.1 percent; petroleum products, 17.9 percent; and natural gas, 14.2 percent. Aluminum export grew by 97 percent, reaching 978,000 tonnes at a slightly higher price (880 dollars/t as compared to 868 dollars/t last year). Export prices on a significant number of other raw material goods were slightly lower than last years levels. The loss of export proceeds from this reduction over the five month period came to no less than 1.5 billion dollars. Deliveries of non-military machines and equipment fell in terms of value by 30 percent, having constituted 4.5 percent of the overall volume of Russian export.

Import fell by 31 percent, to 6.7 billion dollars (although import proceeds in May increased again: 1.7 billion dollars, as compared to 1.1 billion dollars in April, following 1.6 billion dollars in March). Import from industrially developed countries dropped by 23 percent, to 4.5 billion dollars, from developing countries by 42 percent, to 1.0 billion dollars, and from all others by 45 percent, to 1.3 billion dollars. Import of machines and equipment decreased 27 percent, constituting 32 percent of the total volume of import proceeds. Import deliveries of grain were at 6 percent of last years levels; sugar at 15 percent (including unrefined sugar, 3 percent), and vegetable oil, 57 percent. Meat imports went down by 28 percent, to 26,000 tonnes, although the import of fowl increased by almost five times to 27,500 tonnes.

Principle Russian Exports for January - May 1994 (According to Goskomstat Data)

Designation of Goods	Unit of Measurement	1994		Percentage of 1993 Levels		Price per Unit		Percentage of Total Volume	
		Quantity	Cost in Mill. of Dollars	Quantity	Cost	1994/1993 Dollars	1993/1993 Dollars	1994	1993
Total Exports			16,758.4		108.6			100.0	100.0
Fish, Quick-Frozen	thous t	406.1	333.8	101.3	63.1	821.9	1,319.3	2.0	3.4
Ores and Iron Concentrates	thous t	4,314.5	86.8	223.8	165.5	20.1	27.2	0.5	1.3
Coal	thous t	4,972.5	171.7	63.0	65.7	34.5	33.1	1.0	1.7
Crude Oil	thous t	35,422.6	3,443.0	111.1	97.4	97.2	111.0	20.5	22.9
Petroleum Products	thous t	13,661.0	1,191.2	117.9	89.3	87.2	115.2	7.1	8.6

This report contains information which is or may be copyrighted in a number of countries. Therefore, copying and/or further dissemination of the report is expressly prohibited without obtaining the permission of the copyright owner(s).

Principle Russian Exports for January - May 1994 (According to Goskomstat Data) (Continued)

Designation of Goods	Unit of Measurement	1994		Percentage of 1993 Levels		Price per Unit		Percentage of Total Volume	
		Quantity	Cost in Mill. of Dollars	Quantity	Cost	1994/ Dollars	1993/ Dollars	1994	1993
Natural Gas	millions of meters cubed	46,957.0	3,361.1	114.2	107.2	71.6	76.3	20.1	20.3
Ammonia	thous. t	1,586.1	163.6	120.8	141.5	103.1	88.1	1.0	0.7
Nitrogen Fertilizer	thous. t	2,456.4	190.8	125.3	127.1	77.7	76.6	1.1	1.0
Phosphate Fertilizer	thous. t	4.3	0.7	5.6	8.4	161.5	107.7	0	0.1
Potash Fertilizer	thous. t	838.8	57.0	77.8	75.4	67.9	70.1	0.3	0.5
Mixed Fertilizer	thous. t	1,341.9	160.9	108.4	123.2	119.9	105.5	1.0	0.8
Raw Timber	thous. cub. m	4,203.1	205.4	91.5	80.7	48.9	55.4	1.2	1.6
Lumber	thous. cub. m	1,750.5	178.2	151.4	142.6	101.8	108.1	1.1	0.8
Uncut Diamonds			301.6		69.5			1.8	2.8
Iron, Steel and Rolled Metal Products			1,308.7		168.3			7.8	5.0
Pig Iron, Conversion and Mirror	thous. t	1,160.1	127.3	174.6	183.4	109.8	104.5	0.8	0.4
Ferroalloys	thous. t	74.6	61.3	66.5	104.5	820.9	522.7	0.4	0.4
Unprocessed Nickel	thous. t	23.9	114.8	133.3	120.1	4,809.3	8,338.9	0.7	0.6
Unprocessed Aluminum	thous. t	978.2	860.6	197.3	200.0	879.9	868.0	5.1	2.8
Machines and Equipment, Vehicles			762.1		8			4.5	7.1

Principle Russian Imports for January - May 1994 (According to Goskomstat Data)

Designation of Goods	Unit of Measurement	1994		Percentage of 1993 Levels		Price per Unit		Percentage of Total Volume	
		Quantity	Cost in Mill. of Dollars	Quantity	Cost	1994/in Dollars	1993/in Dollars	1994	1993
Total Imports			6,724.7		68.6			100.0	100.0
Meat, Quick-Frozen	thous. t	25.9	33.0	72.3	59.1	1,273.7	1,559.0	0.5	0.6
Fowl	thous. t	27.5	30.2	480.4	560.2	1,096.1	940.0	0.4	0.1
Powdered Milk	thous. t	5.5	18.3	246.9	388.1	3,310.9	2,106.1	0.3	0
Olive Oil	thous. t	26.6	34.3	117.7	104.7	1,288.9	1,449.0	0.5	0.3
Grain Crops	thous. t	398.5	72.9	6.1	7.9	182.9	140.2	1.1	9.4
Including, Wheat	thous. t	193.3	31.6	4.7	5.2	163.3	149.2	0.5	6.2
Corn	thous. t	204.5	41.2	13.4	20.1	201.4	134.2	0.6	2.1
Wheat Flour	thous. t	2.4	0.5	5.1	3.9	184.4	242.2	0	0.1
Vegetable Oil	thous. t	13.8	15.3	57.2	84.2	1,112.9	757.0	0.2	0.2
Unrefined Sugar	thous. t	29.8	12.0	3.0	4.4	401.7	277.6	0.2	2.8
White Sugar	thous. t	195.7	75.7	38.5	36.3	386.8	410.4	1.1	2.1
Ores and Aluminum Concentrates	thous. t	1,487.4	321.9	234.0	269.3	216.4	188.1	4.8	1.2
Medicines			169.4		133.3			2.5	1.3

This report contains information which is or may be copyrighted in a number of countries. Therefore, copying and/or further dissemination of the report is expressly prohibited without obtaining the permission of the copyright owner(s).

Principle Russian Imports for January - May 1994 (According to Goskomstat Data) (Continued)

Designation of Goods	Unit of Measurement	1994		Percentage of 1993 Levels		Price per Unit		Percentage of Total Volume	
		Quantity	Cost in Mill. of Dollars	Quantity	Cost	1994/in Dollars	1993/in Dollars	1994	1993
Insecticides, Fungicides, Herbicides	thous. t	9.0	71.0	79.4	52.8	7,878.1	11,850.0	1.1	1.4
Iron, Steel and Rolled Metal Products			40.8		126.2				3
Steel Pipes	thous. t	277.4	198.0	131.6	113.2	713.5	829.4	2.9	8.8
Machines and Equipment, Vehicles			2,165.2		72.9			32.2	3.3
Furniture			46.2		168.0			0.7	3

Russian, Western Views of Capital Flight Problem Differ

944Q0438B Moscow KOMMERSANT-DAILY
in Russian 9 Jun 94 p 5

[Article by Yu. Katsman: "Drain of Russian Capital Abroad: Speaking of 'Parasitism' of Russian Banks, Western Experts Clear the Way Into Russia for Their Own Banks"]

[Text] While foreign investment in Russia continues to decline (according to official information, the volume of foreign investment fell to two billion dollars in 1993), the drain of capital from Russia is gaining in size. Russian specialists estimate the yearly volume of the capital drain abroad at a minimum of 12 billion dollars. Even more compelling figures were given not long ago in DIE WELT and FRANKFURTER ALLGEMEINE ZEITUNG. In connection with the latter former advisor to the president of the United States, Zbigniew Brzezinski, openly called Russian bankers "parasites." Leaders of Russian banks, which KOMMERSANT-DAILY asked yesterday to comment, think that the statement was made purely on the basis of competitive considerations, and that it was not just incidentally said at a time when removing restrictions on the activity of foreign banks is under consideration in Russia.

The problem of the flight of Russian capital abroad has recently been the object of lively discussion both in Russian and Western mass media. While making a reference to Western exporters, the "Novaya yezhnevaya gazeta [New daily paper]" in particular recently reported that each month one billion dollars is transferred from Russia to foreign accounts. A significant portion of this sum is transferred by Russian firms to Russian banks, which illegally redirect the currency abroad. The Hamburg newspaper DIE WELT, while making a reference to Swiss bank experts, asserted that presently almost a third of Western financial aid to Russia has also secretly ended up abroad. DIE WELT estimates the total volume of the capital drain from Russia since 1990 at 100 billion dollars; Swiss bankers give a figure of 50 billion dollars.

Former advisor to the U.S. president on security issues, and one of the most famous American Soviet and Russian Studies experts, Zbigniew Brzezinski, in a recent interview with FRANKFURTER ALLGEMEINE ZEITUNG, openly called Russian financiers "startling parasites." In his estimation, Russian commercial banks invested only 450 million dollars in the Russian economy in 1993, whereas they sent 15.5 billion dollars abroad. In support of his assertion, Mr. Brzezinski gave official data on the state of Russian foreign trade, according to which the volume of trade decreased in 1993 by 12 percent, while Russia's favorable trade balance grew to 16 billion dollars.

Even if one puts aside the figures given by Zbigniew Brzezinski, his statement appears rather abrupt. For this reason, KOMMERSANT-DAILY considered it necessary to ask the leaders of a number of Moscow banks to comment. While not refuting the complexity of the problem of the capital drain abroad, Russian bankers considered (and quite justifiably, in the opinion of KOMMERSANT-DAILY) the accusations against the new class of Russian entrepreneurs - accusations supported by some public figures - as none other than a search for a scapegoat. The true reason for the drain lies both with the current economic situation, which far from stimulates investment inside Russia, and political instability. In the bankers' opinion, Mr. Brzezinski understands this very well. In connection with this, some banks perceive a purely political subtext in his remark, one that is particularly understandable within the context of the current situation as Russian authorities prepare an edict to remove restrictions on foreign bank activity in Russia.

An interpretation of Mr. Brzezinski's hidden logic, given by the leaders of a number of Moscow banks, appeared in simplified version as follows: The Russian banking system is bad (thesis). On the other hand, good Western banks exist (antithesis). Therefore, all that is necessary is to grant foreign banks access to the Russian market (synthesis). However, Russian bankers are by no means convinced that Western banks, once having encountered the current economic conditions in Russia, will be able

to stop the drain of funds abroad. On the contrary, in their opinion that is precisely when the real flight of capital will begin.

Sergey Yegorov, president of the Association of Russian Banks: "The drain of capital from Russia is not taking place because Russian banks are, without exception, parasites. It is even less due to the fact that they exist at all. The reasons for the capital drain are quite clear: high inflation and even greater political instability. Mr. Brzezinski, in all probability, knows that the drain of capital is in no way a purely Russian phenomenon; it is almost equally characteristic of all countries with transitional economies. To attribute this problem only to the Russian character and mentality is positively wrong. Russian commercial banks, on the contrary, having become victims themselves of negative processes, are now breaking into (with unspeakable difficulty) the international market for the very purpose of reinvesting funds in the Russian economy."

Garegin Tosunyan, chairman of the Council of Directors of the Interbank Finance House, president of Tekhnobank: "I find it highly regrettable that I am not one of those bankers (banker-parasite, effecting the transfer of money abroad -KOMMERSANT-DAILY). No, seriously speaking, Mr. Brzezinski has never been known for a particular love of Russia, although today, of course, he does not have the same ideological grounds that existed during the period of the Soviet Union's existence. It is particularly interesting that in accusing Russian banks of parasitism, Mr. Brzezinski mimics several Russian public figures who are continuously bent on seeking out enemies: first, they were small shop keepers, then entrepreneurs and cooperative founders, and now bankers. Mr. Brzezinski's statement, in large part, has a political character: it is clearly advantageous for him if the Russian banking system is destroyed, and access to the Russian market opened up to foreign banks. In principle, one may grant foreign banks the right to dominate the Russian market, but it will then be necessary to proceed in the same way with the militia and the army, together with the structures of authority..."

Controls on Foreign Investment in Oil Extraction Reviewed

944F1047A Moscow *SEGODNYA* in Russian
19 Jul 94 p 2

[Article by R. Narzikulov: "Corrosive Properties of Competition in Oil"]

[Text]

Chevron does not want to engage in politics

Restrictions imposed by Russia on the export of petroleum from Kazakhstan made foreign investments of billions of dollars in the Caspian region doubtful and created suspicions among western companies regarding the true motives behind Moscow's behavior.

The heads of large oil companies are carefully watching the state of affairs at Tengizchevroil (TSO), the joint venture of the Chevron Corp oil giant and the Kazakh state Kazakhstanmupaygaz firm. One of the oil company executives declared that "if in the near future the Chevron project is not started, the others will take that into account and refrain from active operations."

Last year Russia restricted the export of crude oil from Kazakhstan referring to the excessively high content of sulfur components (mercaptan) in deliveries from the Tengiz oil field. These components have higher corrosive properties and Russian officials expressed concern for the safety of their oil pipelines. As a result TSO was forced to cut back production.

"Speaking frankly this is a political problem," Charles Overmann, head of the Department of Foreign Relations of the joint venture, declared. "In the past Russia received 330,000 tonnes of mercaptan oil a month and suddenly, unexpectedly, it started showing concern for ecological problems." All oil deliveries from Kazakhstan pass through Russian territory.

Created in 1993, TSO is a company which attracted the largest foreign investments in the energy sector on the territory of the former USSR. Chevron is planning to invest around \$20 billion over a period of 40 years. "TSO is not a project which one wants to turn down," Mr. Overmann stated, "but, on the other hand, it is impossible to expect the corporation to continue investing large sums of money in an enterprise when the probability is so small that it will be possible to resolve problems limiting its profitability."

Chevron has already recalled 10—20 percent of its personnel, even though it insists that this did not affect operations at key project sites.

Since Russia restricted exports from the Tengiz Oil Field, whose reserves are estimated to be between six and nine billion barrels of oil, TSO has been delivering only 120,000 tonnes of oil per month. Mr. Overmann reported that the joint venture, in which Chevron has invested \$500 million, is already capable of producing 60,000 barrels a day and earlier planned to double that capacity by the end of the year. He indicated, however, that the company cannot continue investing in the joint venture if problems with the transportation of the product are not resolved. "We cannot continue investing \$500, \$600, or \$700 million in the future when we are not getting even the yield we expected last year," he observed.

The problems being experienced by the joint venture may block the conclusion of other possible deals with foreign companies in the region, including the development of the Caspian shelf in the waters off Kazakhstan and Azerbaijan.

TSO plans on spending \$40 million to build a facility for removing sulfur from the oil by the end of the year. Its

executives, however, state that they are not certain if Russia is not going to find new reasons for halting the export of oil in this case as well.

Western specialists on the oil market state that Russia is manifesting a growing unwillingness to pump crude oil of competing producers to foreign markets. They also say that Russia, which controls almost all the oil pipelines of the former USSR, is testing its possibilities and preparing to demand access for itself to lucrative contracts for the development of oil fields in the Caspian Sea.

Even though the Russian Federation did not claim a share of the Tengiz project, the Russian oil giant Lukoil has already won the right of participation in the project to develop two oil deposits in Azerbaijan with participation of a western consortium, and is expressing interest in taking part in other projects as well.

Russia, Kazakhstan, Chevron, and an Oman oil company are engaged in active negotiations concerning the building of a new oil pipeline between Tengiz and Novorossiysk, but no major progress is being noted because of a lack of agreement among the parties with regard to the financing of the project.

Charles Overmann is undoubtedly right: the transit of Kazakhstan oil through Russia is a political problem, by the way, just as competition between countries in any of the branches connected with production of naturally limited resources.

When the matter concerns pipeline use that competition acquires a heavy political hue inasmuch as transit in that case is directly linked with the geographical position (and by its nature the monopolistic position) of the country offering shipping services.

But the role of politics in these kinds of differences is limited exclusively by the method of communication between the sides having a conflict (government negotiations, protest notes, and the like) and the involvement of national interests. The essence of the conflict, as a rule, is found in the splitting of revenues derived from the sale of resources.

Current restrictions on the export of Kazakhstan oil, imposed by Russia, represent an example of a more complex scheme for extracting monopolistic shipping advantages as compared with the banal demand to increase payment by one dollar for transit.

Russia has an acute need to expand handling capacity (35 million tonnes of oil a year with an annual production of around 350 million tonnes) of its only maritime port at Novorossiysk through which it is also planned to export the oil from Tengiz. Inasmuch as of the two other contracting parties in the Caspian pipeline consortium (KTK)—Kazakhstan and Chevron, only the latter is able to pay, all of the increased financial demands are naturally directed at it (to invest around 40 percent of the cost of the project and receive only 25 percent of the KTK stock). The fourth participant in KTK, Oman, does

not count. Taking into account the special nature of the relationship of the representative of Oman, Johann Doyss, with the Russian oil and gas elite, no money will be demanded from him.

On the other hand Russian oil producers do not particularly wish to come to the Caspian shelf after the feast is over, and the export of Kazakhstan oil represents a good method of demonstrating its position of privilege in the region from the viewpoint of transportation possibilities.

Chevron, having invested \$500 million in Tengiz, found itself in a difficult position in the tangled Caspian—Kazakhstan—Black Sea petroleum game. Its opponents, utilizing the irreversibility of investments forced the company into a corner—it is difficult to agree to the increased financial demands of Russia and Oman, but it is even more difficult to slam the door on half-a-billion dollars. It is pointless to complain about the cruel facts of the oil business (just as about those of any other) and Chevron has no other alternative than to try and prove the unreality of demands being made on it.

Chevron really is not responsible for the situation that has been created, since, after all, its executives could not have foreseen that, having begun to invest money on the territory of the USSR, they would be forced to enter into negotiations with several interested parties. But the degree of guilt or innocence has no bearing on the exploitation of Kazakhstan and Caspian oil.

(Also see materials on page 11 on the export of Kazakh oil and the problems of the Caspian shelf.)

Lack of Legislation Hampers Foreign Investment in Oil Industry

944F1047B Moscow SEGODNYA in Russian
19 Jul 94 p 11

[Interfax press release: "Settlement of Interstate Conflicts in the Oil Industry: The Opinion of Experts"]

[Text]

Kazakhstan must reach agreement with Russia

Russia continues dictating conditions for shipment of fossil fuels extracted in Kazakhstan across its territory, as it did in bygone days. Kester George, head of a department of the Ministry of Trade and Industry of Great Britain mentioned this in Alma-Ata last week at a seminar of the oil-gas and petrochemical industry. The seminar included participation of 17 British companies which presented their proposals for the development of geological prospecting operations and organization of extraction and processing of fossil fuels in Kazakhstan.

In the opinion of British experts the building of pipelines from Kazakhstan to world markets over the territory of Iran and China "is highly problematical" inasmuch as there are no guarantees that those countries will set a lower tariff for pumping fossil fuels than Russia.

In the opinion of Mr. George, the geopolitical position occupied by Russia is such that it is necessary "to conduct negotiations and achieve an agreement" with it. In speaking of the possibility of building pipelines through the efforts of British companies, he noted that not a single British firm "will finance the building of a pipeline which is to be constructed on the territory of another country."

At present the British Gas company is operating on the territory of Kazakhstan, and, jointly with the Italian Agip company is working out an agreement with Alma-Ata for the development of the large Karachaganak gas-condensate field. The reserves of the Karachaganak deposit being extracted amount to 1.3 trillion cubic meters of gas and 820 million tonnes of oil and condensate. In addition to that British Gas, jointly with British Petroleum and a number of other foreign companies, has created a consortium for the development of Kazakhstan's shelf deposits with potential reserves of 3.5 billion tonnes of oil and more than two trillion cubic meters of natural gas.

In the view of British experts, Kazakhstan, which is planning a sharp increase in the extraction of energy resources by the year 2015, could occupy one of the leading places in the world in the extraction of fossil fuels.

Territorial disagreements will not halt the development of the Caspian shelf

At present Russia does not have legislation that would permit Russian and foreign companies to develop long-term programs for the assimilation of oil and gas fields on the shelf. This opinion was voiced by Ivan Chernov, director of the Department for Offshore Operations of the state Rosneft enterprise.

According to I. Chernov in order to provide a legislative basis for the assimilation of the Russian shelf it is necessary for the State Duma to adopt the law on petroleum and gas as soon as possible along with the law on division of the products and a perfected law on mineral resources. The expert, however, believes that under the existing conditions it is possible to anticipate the appearance of these enforceable enactments only by the end of 1994.

Responding to a question concerning prospects for the development of the Russian part of the Caspian shelf, I. Chernov declared that Rosneft will not link the realization of its projects on the Caspian Sea with the resolution of disputes concerning maritime boundaries on these areas of water.

The director of the Rosneft Department for Offshore Operations underscored the following—"It is apparent that Azerbaijan, Turkmenia, and Kazakhstan will not stop preparations for the signing of agreements with foreign companies on the joint assimilation of Caspian

deposits until all territorial disputes are resolved. Therefore Russia cannot halt the realization of its projects on a unilateral basis."

I. Chernov characterized as "unsubstantiated" the proposal of the Committee for Geology and the Use of Mineral Resources of the Russian Federation to declare the Caspian zone north of the 45th parallel an international ecological reserve where development of hydrocarbonous resources is prohibited. Modern techniques in offshore extraction, which are available to Rosneft, "will provide adequate ecological protection of the region," the Russian expert declared.

Tyumen Oil, Gas Center To Promote U.S. Investment

944Q04974 Moscow KOMMERSANT-DAILY
in Russian 15 Jul 94 pp 1,3

[Article by Vadim Bardin: "Foreign Investors Go to Russia at the Smell of Oil"]

[Text] The conduct of foreign investors in Russia recently has a clearly determined line. First, investors show an obvious inclination to lobby without middlemen for the decision-making authorities that they need. Second, they link their activities with the interests of the Russian authorities—both central and regional. The present establishment of the Russian-American Technological Oil and Gas Center in Tyumen is a characteristic result of the efforts in these directions.

The present situation with the attraction of foreign investments to Russia can be conventionally described as mobilizing. Although direct investments flow in very slowly (in the last 6 years their volume was 2.7 billion dollar. In 1994, as the Ministry of Economics calculates, the boundary of 1 billion dollars annually will be crossed and an advisory council on foreign investments will be established under the government, in which 14 large companies of Europe, the United State, and Japan will participate (KOMMERSANT DAILY wrote about this in June). Western businessmen, disappointed with Moscow's possibilities of improving the investment climate, are taking their fate in Russia into their own hands. As was to be expected, this process went the furthest in the most attractive sphere for investors—the oil sphere. Many joint administrative and economic structures were established there. Summing up the results of their activity, Yuriy Shafranik singled out the signing of the Sakhalin-2 agreement, the preparation of a series of projects for the joint development of deposits of the Timano-Pechora Basin, and the establishment of the Russian-American Center in Tyumen.

The RF Ministry of Fuel and Energy, the U.S. Department of Energy, and the Administration of Tyumen Oblast are the founders of the Russian-American Technological Oil Center. It is interesting that, most likely, in Tyumen the center will be located in the neighborhood

of the affiliate of the Russian-American Oil Club established on 20 June (whose main offices are in Moscow and Washington and affiliates, in Tyumen and Houston). To what extent the club and the center will supplement each other and to what extent, compete is not so essential. It is important that an infrastructure of organizations is expanding, whose basic objective is, on the one hand, to lobby for decisions meeting the interests of American oil companies both in Moscow and in Tyumen and, on the other, pushing American oil equipment into the Russian market.

The immediate forecasts are as follows: The oil center and the oil club will work out a production-sharing scheme at a regional level (the foreign participant pays only the profit tax and for the right to use resources. All the remaining payments, including customs duties, are taken into account during production sharing). In turn, the work on the package of corresponding instructions, which is going on in Moscow and in the Ministry of Fuel and Energy, does not escape an appraisal by the working group of the advisory council on foreign investments. It is not ruled out that now it will be more difficult for the Ministry of Foreign Economic Ties to extend the registration of special oil exporters to joint ventures, which have certificates of products of their own production.

Since the Russian fuel and energy complex is a favorite for receiving credits of the American Eximbank, there is no doubt that the new center will most actively see to it that the tradition of the purchase of American equipment exempted from import duties with these credits continues. At the same time, the interests of Russian producers once again remain in the background. As a result, the prerequisites for the operation of many more, not of two as now, American oil companies in oil production in Russia are being created.

Stages in Russian-American Oil Cooperation

- 4 June 1992—an intergovernment agreement on scientific and technical cooperation in the field of fuel and energy.
- 6 July 1993—an interbank framework agreement on financing projects in Russia's oil and gas industry in the amount of 2 billion dollars.
- 31 August 1993 American companies receive access to the Sakhalin-2 project
- 20 June 1994 the RF minister of fuel and energy and the U.S. secretary of energy signed a protocol on the establishment of the Russian-American Oil Club.
- The Russian-American Technological Oil and Gas Center was established in Tyumen on 14 July 1994.

Customs Order on Goods Destruction Explained

944Q0497B Moscow KOMMERSANT DAILY
in Russian 15 Jul 94 p 2

[Article by Saulys Dirgelas: "Customs Will Permit To Destroy"]

[Text] The new document of the RF State Tariff Committee, which Russian customs received yesterday, continued the realization of the provisions of the Customs Code. The RF Ministry of Justice approved the new order No 203 and the statute of the Customs Committee "On the Customs Destruction Procedure."

From now on importers, who do not have the opportunity or the desire to register imported goods and transport facilities, can receive a customs permit to destroy them. If there are "sufficient grounds," customs can give a permit for destruction, provided "the mover is the declarant of goods and the transporter is the declarant of transport facilities." The destruction itself will be carried out under customs control at the applicant's expense "by means of thermal, chemical, mechanical, or another effect." For this it will be necessary to register the import of goods subject to destruction, to receive a customs permit for destruction, to prepare a report on the actual destruction of goods, and to register the import of the remainders of what was destroyed, if such exist.

The new statute acquires special urgency in the light of the latest customs documents concerning import duties and the toughening of the import of goods subject to excise. Apparently, in recent weeks the number of importers—"rejecters" has reached such a level that customs had to prepare documents for these rejections. In observers' opinion, the destruction procedure may soon become just as popular as transit or reexport. The point is that in itself destruction is quite a complicated action and customs, as before, is short of trained personnel. At the same time, the customs' present saturation with "good" inspectors will make it possible to carry out the "documentary destruction" without special difficulty, as well as to substantiate the decision on destruction and to submit proofs of "nonuse of the remainders of what was destroyed." To sell "waste" and not to get exposed is a matter of technique and experience.

From the Statute on the Customs Destruction Procedure

The following can be placed under the customs destruction procedure:

- a) imported foreign goods and transport facilities, which actually have crossed Russia's customs border;
- b) foreign goods and transport facilities imported into Russia's customs territory and placed under customs procedures for transit, for the customs warehouse, for the duty-free trade store, for processing on customs territory, for processing under customs control, for temporary import, for the free customs zone, for the free warehouse, and for reexport, as well as conditionally released goods and transport facilities.

German Firm Faces Obstacles in Moscow

944Q0503A Moscow KOMMERSANT DAILY
in Russian 16 Jul 94 p 20

[Article by Oleg Stulov: "They Are Evicting a German Firm: Sad Is the Fate of German Investments in Moscow"]

This report contains information which is or may be copyrighted in a number of countries. Therefore, copying and/or further dissemination of the report is expressly prohibited without obtaining the permission of the copyright owners.

[Text] In the evening of 4 July, the Moscow Court of Arbitration partly satisfied the suit of the municipal enterprise "Glavsnab" [Main Supply Administration] of the government of Moscow against the Moscow Committee for State Property and against the German firm Octopus-Varioline about recognizing as invalid the agreement for the lease of a four-story building in Moscow by the Germans and about the eviction of the firm. According to data of Octopus-Varioline, hoping to buy out the building, they invested about DM 10 million in its reconstruction. The eviction of the firm will mean the departure from the Russian market of one of the largest German firms, which is engaged in deliveries of machine-building equipment to Russia. The court at the same time recognized the agreement as invalid, and in regard to the eviction of the firm closed the case, since suits against firms with foreign investments must be examined in the people's courts.

The German firm Varioline Handelsgesellschaft GmbH (Varioline Limited Liability Trading Company) supplies equipment and spare parts for it for such obstacles as Uralmash [Ural Heavy Machinery Plant imeni Sergo Ordzhonikidze], GAZ [Gorkiy Automobile Plant], and "Dinamo". The firm also offers Sebah communications systems in Russia (cf. KOMMERSANT-DAILY No 30, 1991). Octopus-Varioline represents the interests of Varioline in Russia.

The financial director of Octopus-Varioline, Matthias Nestler, told a correspondent of KOMMERSANT-DAILY that in 1988 the Main Supply Administration of the Executive Committee of the Moscow Soviet "Glavsnab" concluded an agreement with the German firm Varioline about the leasing of a four-story building located at Shosse Frezer, 17, with an area of 5,800 square meters and an open area around this building of 13,500 square meters in size. At that time, according to the law, a foreign firm could not buy out [vykupit'] a building in Moscow, but the parties envisaged in the agreement the right to a buy out [vykup] of the land, assuming that the legislation will change. After this, Varioline began to work normally and to reconstruct the building.

However, in 1991, by decision of the Supreme Soviet of Russia, the firm had all of its foreign exchange accounts in the USSR Bank for Foreign Economic Relations frozen. For this reason, in the words of Mr Nestler, the firm believed that to operate independently in Russia is extremely risky, and created the company Octopus-Varioline, to which it transferred all the rights in regard to the lease agreement in the Russian consulate in Germany.

In connection with the freezing of the firm's funds, Octopus-Varioline was unable to make the lease payments in time for several months (the debt was nevertheless paid off later). Then Glavsnab turned to the court with the demand to cancel the agreement. After a protracted lawsuit, Glavsnab succeeded in doing this. However, the question of eviction for the time being was not

on the agenda. According to the data of Mr Nestler, already at that time about DM10 million were invested in the disputed building and it was transformed "from a warehouse with rats" into a modern complex. At that time the management of the German firm nevertheless hoped that it would succeed in buying out the building.

In connection with this, in January 1994, the parties turned to the deputy chairman of the Moscow Committee for State Property, Vladimir Ayeikov, who ordered the conclusion of a lease agreement for the disputed building with his committee. According to the data of Mr Nestler, at this moment none of the parties had any objections to this, and the document was signed. Mr Nestler asserts that even on the basis of this agreement Glavsnab was to have received about one-third of the sum of the lease payment, which comes to DM156,000 per quarter.

However, in the spring of 1994, Glavsnab unexpectedly turned to the Court of Arbitration with the request to recognize as invalid the lease agreement with the Moscow Committee for State Property and to evict Octopus-Varioline. And in court it became clear that, during the reregistration of Glavsnab as a municipal enterprise under the government of Moscow, a paragraph was included in its statute (certified by Yuriy Luzhkov) to the effect that the building is on its balance sheet. For this reason, in the opinion of Glavsnab, the Moscow Committee for State Property could not dispose of the building without its consent.

In the court the representatives of Octopus-Varioline attempted to show that in 1992 all the organizations that had buildings on their balance sheet, within a 3-month period, should have reregistered the documents in the Moscow Committee for State Property. Glavsnab did not do this, and consequently the lease agreement is correct. The firm asked the court to take into account that, apart from the investments in the disputed building, it already paid lease payments of approximately DM8 million, and, moreover, it has continued to pay money up to now. The Moscow Committee for State Property fully supported the arguments of the firm.

Moreover, the representative of Octopus-Varioline tried to prove to the opponents that, if the decision on eviction is taken, the firm will leave Russia altogether. In the opinion of Octopus-Varioline, if this happens, many Russian industries will come to a standstill. Besides this, the representative of the defendant declared that the example of the firm will push many foreign investors from Russia. For this reason, the German firm proposed to decide the question peacefully. However, Glavsnab refused.

The court agreed with the arguments of Glavsnab and recognized the lease agreement with the Moscow Committee for State Property as invalid. With respect to the eviction, the case was closed. The representatives of the German firm declared that they will appeal this decision.

Commentary (by the Economic Policy Department)

The numerous risks of foreign investors in many respects are connected with the specific character of Russian legislation, which is rather inadequately represented with laws in the strict sense, but on the other hand with an excess—of sublegal documents and instructions. To gain an understanding of the latter is not simple. One thing is clear: To put one's trust in the force of law, if it is not supported with knowledge of the departmental processes (to get acquainted with them is possible only through concrete people), is still early in Russia.

The history of the judicial and lease ordeals of Octopus-Varioline is not unprecedented. The outcome of the judicial proceeding was not influenced by the fact that the firm actually invested DM10 million in the reconstruction of the disputed building, not having had a lease agreement with the Moscow State Committee for State Property. The organization with the telling name "Gos-snab" of the government of Moscow proved to be victorious.

Here the foundation is laid for still another group of risk transactions. For example, Viktor Chernomyrdin, after establishment of the Consultative Council for Foreign Investments, in which along with the Russian government the directors of 14 companies from Europe, the United States, and Japan take part, declared that foreign investors will enjoy priority in the acquisition of ownership of plots of land in Moscow, manifesting here, from its special character, occupies the directly opposite position. The project, however, works neither to the benefit of Russia nor its appeal. The rigid position of the firm in relation to the access of foreign companies to industrial real estate may scare away law-abiding investors from Moscow, which for the time being represents the most important center for the attraction of foreign investments in Russia.

Program to Export IL Aircraft Announced

Article by Leonid Zavaritskiy in KOMMERSANT-DAILY
in Russian, 8 Aug. 1994

Article by Leonid Zavaritskiy under the rubric "Russia's Aircraft Builders Prepare for Farnborough": "The Ilyushin Has Gone Out to the Starting Line Before the Race for the Market."

[Text] Russia's aircraft builders are not abandoning their hopes of winning the international market. The Ilyushin Air Complex has put up some rather serious claims for its own place in the civil aircraft market. Yesterday its leadership announced that it has accepted the plan for participating in the Farnborough-94 international air and space show, which will be held in England from 5 through 11 September. The plan has the status of the official program for exporting IL aircraft to the near and far abroad.

At Gennadiy Novozhilov, general designer of the Ilyushin Air Complex, reported to a KOMMERSANT-DAILY

correspondent, a package of foreign production orders exists for practically all the new IL aircraft (the IL-96M, IL-114, IL-103), as well as a number of modifications of the IL-76 transport aircraft. The company views its participation in Farnborough-94 as an additional opportunity for advertising its output. Mr. Novozhilov emphasized that he is completely aware of how complicated the conditions for going out onto the world market are for Russian air technology today, but that technology has a number of very important advantages over its Western competitors—a lower price with analogous flight specifications. At the present time, the Ilyushin company is conducting negotiations with the U.S. Federal Aviation Administration (FAA) for certifying the IL-96M and the IL-103 in conformity with American standards for flight fitness, which *de facto* are international ones (as long ago as the 1970's, only the YAK-40 and the YAK-42 received an American certificate of flight fitness). Negotiations are also being conducted with the FAA concerning the reciprocal recognition of U.S. and Russian flight certificates, which is supposed to facilitate the entry of Russian aircraft into the world market.

According to Mr. Novozhilov, the only way to count on Western production orders is if there has been prolonged preparatory work directly with the potential customer. For example, the air complex consults with the Air France, Swissair, and CargoLux aviation companies with regard to questions of equipping the cargo version of the IL-96M. As a result, the decision was made to install on the aircraft a cargo hatch with dimensions indicated by the aviation companies (incidentally, its dimensions will be the largest in the world for aircraft of this class, and this guarantees the large attractiveness of the IL-96M for potential operators). In addition, it is planned to conduct in France operational tests of the IL-76-MP fire-fighting aircraft, after the completion of which the decision will be made concerning its purchase by a French company. Good prospects with regard to the earning of currency are also presented by the servicing of the air technology that has already been sold. Currently the people at the Ilyushin Air Complex are modernizing the IL-38 antisubmarine aircraft on the basis of a production order from the Indian armed forces.

[Begin box]

IL Aircraft Intended For Export

IL-96M/7—long-distance airliner, produced in cargo version (maximum load 92 tons) and passenger version (318 seats with third-class configuration of the passenger compartment. Base price—\$70 million. This aircraft has 40 options, half of which belong to foreign air companies.

IL-114—64-seat passenger aircraft for regional flights. At the present time negotiations are being conducted concerning its production under license at a plant in South Korea. A transport version of this aircraft, with an average cargo capacity of 6 to 7 tonnes, is also being developed. Base price—\$10-12 million.

IL-103—light multipurpose six-seat aircraft. It has a package of production orders for approximately 200 aircraft, including for the air patrol service of Great Britain. Base price—\$120,000 (\$130,000).

Transport IL-76 in various modifications. Base price—\$25 million.[End box]

Firm To Get Italian Credits for Be-200 Aircraft

944Q0504B Moscow KOMMERSANT DAILY
in Russian 20 Jul 94 p 1

[Article by Natal'ya Gotova: "A New Project of the Irkutsk Aircraft Builders: The Producer of Fighter Planes Will Receive a 'Peace' Credit"]

[Text] One of the largest Russian producers of military aircraft—the Joint Stock Company "Irkutsk Aircraft Production Association" (IAPC) has concluded an agreement with an Italian financial group (the name is not being divulged) about the granting of a credit for the realization of a project for the output of the multipurpose amphibian aircraft Be-200. The new production project will make it possible for the Irkutsk aircraft builders to expand the assortment of peace production and to enter the world market with it. Yesterday the administration of Irkutsk Oblast announced the granting of a guarantee of the solvency of the aircraft construction association.

The Irkutsk aircraft plant was established in 1932. It works with many foreign countries, including the United States. Along with the output of Su-27, Su-27UB and Su-26 fighters, it manufactures the Be-200 amphibian aircraft. As a result of the production of the association, 76 percent of the ships are owned by the Italian company. The production of the Be-200 aircraft will be carried out by the company "Tekhnologiya (Technology)" and 14.8 percent of the ships have been reserved for a three-year period of lease with ships.

The multipurpose amphibians are, at the moment, not having any analogues in the world market. The Design Office Borovik in Leningrad is used for passenger and freight transportation, as well as for the extinguishing of fires. During this year, two experimental specimens will be manufactured and tested, and in 1996 IAPC will begin their serial production. To increase the competitiveness of the Be-200, it will be equipped with onboard navigation instruments of the AN-114, the signals Company. Altogether, IAPC will spend \$128 million for the realization of the Be-200 project. The sale price of the aircraft will come to \$20 million. The Be-200 project has been included in the Russian state program of aircraft construction. In 1994, a state credit in the amount of R7 billion was allotted for its realization. It is planned to hand over part of the produced Be-200 aircraft to the air and military conditions.

The scheme of granting IAPC a foreign currency credit through an Italian finance company for the time being is being kept secret. According to the existing situation, for

the completion of the project, IAPC will need to receive \$24 million. It is being proposed that the credit line will be opened for a five-year term.

According to the director general of IAPC, Aleksey Fedorov, the realization of highly profitable projects will make it possible to preserve the existing production potential of the association. Since December 1992, after the sale of a batch of military aircraft to China, IAPC has not concluded a single export deal, and the reduction in defense orders has led to financial difficulties. As a result, the association reduced the staff by 3,500 and expended the assortment of "peace" products. Besides the output of the Be-200, the aircraft plant is getting ready for serial production of four-seater Yak-112 aircraft, which will be equipped with American engines and avionics. The price of this aircraft will come to R170 million. But, in spite of the planned increase in the production volumes of civilian aircraft, IAPC nevertheless connects its future hopes with the production of high-technology and expensive military equipment.

Committee on Pacific Economic Cooperation Meets

944Q0479B Moscow DELOVOY MIR in Russian
8 Jul 94 p 1

[Article by DELOVOY MIR correspondent Leonid Kuznetsov under the rubric "Presentations": "Big Voyage For a Big Ship"]

[Text] A presentation by the Russian National Committee on Pacific Economic Cooperation (RNKTES) was held in the conference hall of the RF [Russian Federation] Chamber of Commerce. The participants in the presentation included prominent state, public, and political figures in Russia, parliamentarians, representatives of the committee's Far East and Siberian regional centers, scientists, ambassadors from the countries in the ATR [Asia-Pacific region], and employees of international organizations.

On the eve of this event, our newspaper discussed the RNKTES as being an important channel, and so far the only one, for providing Russia access to the international structures that have formed in the "Pacific ring." That was reaffirmed by RNKTES chairman, Academician A. Granberg, and other participants in the ceremony who spoke at the presentation. V. Semenov, permanent representative of the Krasnovarsk Krai administration under the RF Government, expressed his satisfaction with the material published by DELOVOY MIR concerning the RNKTES, and he directed attention to the necessity for the more active participation of Russia's official circles in the work both of the committee itself, and of the international organizations in the ATR of which our country is a member. In turn, Academician Ye. Primakov, who used to head the Soviet National Committee on Asian-Pacific Cooperation (SNKTES) that was created in 1988, emphasized that RNKTES has

been called upon not only to take all steps to promote Russia's entry into the world economy, but also to promote the resolution of the country's domestic problems. Expressing his conviction that this mission is within the capabilities of the RNKTES, the academician ended his statement with the words, "A big voyage for a big ship."

Japanese Business Delegation Visits Far East

944Q05044 Moscow KOMMERSANT-DAILY
in Russian 19 Jul 94 p 3

[Article by Denis Demkin: "Japanese Businessmen in the Far East: The Japanese Have Come to Convince Themselves of the Correctness of Their Theories"]

[Text] Visits of numerous delegations of foreign businessmen to the Russian provinces have long ago become commonplace—as a rule, the more numerous the group, the fewer concrete results are attained in the course of the trip. For this reason, the visit of Japanese businessmen to Yuzhno-Sakhalinsk, Vladivostok, and Khabarovsk completed this past weekend could have attracted no attention. What gave it significance was the circumstance that all the members of the delegation are members of the Keidanren [Japan Federation of Economic Organizations], the most influential semi-governmental association of Japanese businessmen.

Keidanren is a federation of more than 110 industrial associations, such as the Japanese Associations of Automobile Producers, the Japanese Cast Iron and Steel Federation, and the Japanese Chemical Industry Association. Along with the Sang'e kodzo sinrikai [as transliterated: Council for Industrial Structure], it represents the interests of all business circles of the country. Keidanren was created in 1946 and at the present time determines the general line and strategic directions of the formation of national economic policy, it studies a broad spectrum of domestic and foreign economic problems, and it prepares recommendations for the government. At the annual Keidanren aspen '94, leading ministers of the government take part, and the prime minister of Japan delivers a special report.

According to the personal admission of the participants of the meetings in the Far East, the delegation had not set itself the goal of achieving any concrete agreements. It can be conjectured that Keidanren decided to verify in practice the correctness of its analytical investigation of the investment potential of the Russian Far East. As one could gather from the statements by representatives of the highest officials of the largest Japanese companies (such as Marubeni, Mitsui, and Mitsubishi) and government officials, for them it was very important to acquaint the Russian partners with the Japanese point of view on what factors prevent the expansion of Russian-Japanese economic exchange. The list of obstacles making the penetration of Japanese capital into Russia more difficult is extensive and practically coincides completely with analogous lists being compiled by

Western analytical services: From the high political risk to "low moral criteria in the sphere of the conclusion of trade deals."

It is completely natural that the elimination of the majority of these obstacles is within the competence of the federal government, for this reason the appeal to regional administrations can be viewed only as one of the possible methods of pressure on the Russian authorities in general. However, one of the members of Keidanren, in particular the Mitsui Corporation, also has the possibility of a direct appeal to the federal government. First of all, through participation in the recently created Consultative Council for Foreign Investments under the government of Russia, and, secondly, through contacts with the first persons of the cabinet. Thus, for example, during the past week the representatives of this corporation succeeded in convincing First Vice-Premier Oleg Soskovets of the necessity to make available state guarantees for \$200 million for the modernization of the Yaroslavskiy Oil Refining Plant.

As far as cooperation in the Far East region is concerned, the Japanese showed interest, first of all, in export-capable industries: The joint development of coal deposits and the modernization of mining industries in Maritime Kray, the cultivation and export of soy-bean, and the development of the Ural'sk oil and gas deposits. Other joint projects must promote the increase of Russian exports, for example, the reconstruction of the railway bridge over the Amur, the construction of a highway from Komsomol'sk-na-Amure to the coast of the Tatar Sound, and the reconstruction of the Vanino sea trading port.

Shipping Line Executive on International Business

944Q0485A Moscow DELOVOY MIR in Russian
9 Jul 94 p 7

[Interview with Viktor Miskov, by Valentina Bratchikova, Vladivostok, under rubric "Transportation": "People Can Talk With This Company"]

[Text] An international council of experts has included FESCO—the "Dalnevostochnoye Morskoye Parokhodstvo" [Far East Steamship Company] joint stock company—in its catalogue, "The Elite of Russian Business," in the DARIN series, in the section "1994 Golden Companies." RIA "Novosti" correspondent Valentina Bratchikova has asked the manager of the country's largest transportation enterprise, Viktor Miskov, to comment on that report.

[Bratchikova] Viktor Mikhaylovich, your company's high international rating is the best proof of its economic health. It has gotten through the most difficult stage of entering the market. How are your relations with your foreign partners developing now, after the "changing of the shingle" and the inevitable changes linked with it?

[Miskov] In general, we never have appeared in the last roles throughout the world. Although, if we are to speak

honestly, after the formation of the joint-stock company we began to be viewed somewhat dubiously. There is nothing surprising about that, when many of the enterprises that had emerged from state guardianship were inundated by a wave of bankruptcies—and a ricochet effect from that also hit the steamship company. People said that the fleet is old, there is no money, and in a year or too you also will go under the hammer. That is why, shortly after acquiring our independence, we immediately set ourselves the task of beginning to carry out renovation without any delay, that is, to renew the fixed production assets. But, even at the outset, problems arose. Even though there was a presidential edict about the rebirth of the Russian fleet, the mechanism for creating sources for financing it had not yet been worked out. We could see only one way out: to obtain the consent of the world banks to provide credit to DVMP [Far East Steamship Company] (the name that they call us there is FESCO).

A series of trips abroad yielded the expected result. We received that support, and on terms that the most reliable European shipowners enjoy. Needless to say, for most of our joint-stock companies today this is almost unachievable because of their chronic inability to pay their debts. But we (and this, I think, was tactically true) began by not getting bogged down in credit debts, but instead by paying in cash when we purchased from foreigners two huge container ships at once—\$45 million. We really had to go scratching around in our granaries, so to speak, and, just as in a store, we settled with the seller on the spot. This is an extremely rare phenomenon in the shipping world. But that only increased the prestige of the steamship line in the bankers' eyes. After that, everything went more easily. And especially after the finding of a famous British auditing firm that conducted an audit of our company: "People can talk with this company."

In a word we achieved our main goal: people began treating us as an equal partner. That made it possible without any excessive delays to sign a number of contracts with foreign companies for the building and purchase of ships. What did we get from that? Well, for example, the opportunity to renew the fleet completely on the Australian line—in the course of the first half-year it will be augmented by seven large container ships accommodating 1020 containers. In addition, we will finally be able to reassign the fleet to the area of the Arab Emirates.

Are we satisfied with the quality of the ships that are coming in as replacements? Yes, completely so. Some of them are being built in South Korea, and others in Poland. But all of them are being built according to German specifications and production orders. Why am I speaking in such detail about this? The fact of the matter is that German shipowners are very experienced sailors and the ships that they make and order for themselves, and then sell to us, are distinguished by their high class.

[Bratchikova] Does this mean, then, that you have completely rejected the services of our domestic shipbuilders?

[Miskov] I didn't say that. Of course, they have proven to be in a very difficult financial crisis. There are few production orders, since everything is frightfully expensive, and sometimes it is much more profitable to buy "steamships" abroad. Nevertheless we have signed a contract with the Amur Plant, which is outside of Khabarovsk, for the building of eight timber ships for us. We also intend to order at the same plant a container ship to accommodate 400 containers, which is irreplaceable when delivering cargoes from small ports to larger ones. Incidentally, we were supported in this action by the Russian Maritime Transportation Department, which justifiably assumed that foreign production orders are one thing, but it is also necessary to support our own shipbuilding. Especially since the plant had specialized in the production of nuclear submarines, and when the production orders from the military stopped coming in, it proved to be literally aground. We are planning to open up its currency investment, and this will provide the enterprise the opportunity to get on its feet again, and to start working at the customary tempo once more.

[Bratchikova] Are you completely satisfied with the circle of business contacts that has already been outlined, or will you expand it?

[Miskov] For a long period of time people kept telling us: Europe is closed to you. There exists the Asian-Pacific Region [APR], where you were "assigned" long ago, so keep working there. But people could talk that way several years ago. Today, on the other hand, we have the right to define our policy by ourselves. We definitely have not completely exhausted the APR. Certain "unexplored areas" remain. Taiwan, for example, with which Russia does not yet have any official diplomatic relations. For that reason, our ships, under the Russian flag, make practically no stops in its ports. Taiwanese entrepreneurs are ready to cooperate with us, but they are forced to use the services of other partners, since our fleet is not accessible to them. For this reason alone, we lose many tens of millions of dollars annually. How can we get out of this situation? For a long time we argued about this topic and in the final analysis we decided to "build bridges" with Taipei by ourselves. We went to the capital and signed an agreement with their ministry of transportation about opening a new maritime trade line next year, which will link our shores. But whether it will be executed is a question: our MID [Ministry of Foreign Affairs] took a not particularly enthusiastic attitude to the steamship company's initiative, and we cannot do without the government's support.

On the other hand, Western businessmen offer us a choice of various alternatives of cooperation—from freight and leasing to joint ventures in transporting export-import cargoes. We have already opened our representation in Seattle, and are planning to do the

same thing in London and New York, and in other countries. And this is necessary if we seriously intend to work with them.

[Bratchikova] Does this mean, then, that "sailors do not have questions, sailors do not have problems"?

[Miskov] Unfortunately, you cannot hide from life. We are not especially concerned about profit. We will have a profit in the current year, but it is becoming increasingly more complicated to earn it. Those fleet-operation methods that we used to employ are beginning to give up the ghost. Take the coastal shipments, for example. The volumes of cargoes for the Arctic are being inexorably reduced. Powerful icebreakers leading caravans sometimes "eat up" fuel needlessly. But we are "tied to" the North. We are required to worry about it, and, even in the event that there are no cargoes, we cannot assign those ships to other sectors, although we are receiving a huge number of orders from foreign freight-shippers.

Or let us consider the passenger fleet. I am afraid that very soon our "actresses," as the sailors call the series of ships that bear the names of women who are famous in Russia, will remain "unemployed." We have already removed one from the Vladivostok—Petropavlovsk-Kamchatskiy line and want to sell it—it is simply ruinous to use the ship any more. The same thing will apparently have to be done for Maritime Kray. Only Sakhalin Oblast remains, and that is with the proviso that its administration compensates us for our expenditures. You can judge for yourself: every trip by a diesel ship of the "Mariya Savina" type in 1993 caused us to incur a loss of 4 million rubles. Currently this is several times more. Can we allow ourselves this luxury? That is why, out of 15 trips to Kamchatka, we have kept only four, and out of more than 50 to Maritime Kray, just 15. The only hope is that the local authorities will assume part of the financing of the passenger hauls.

It is necessary at all costs to preserve the steamship company's passenger fleet: there is simply no other one in Russia. We are attempting to reorient it toward foreign trips. We have opened the Vladivostok-Pusan line and have begun modernizing the "Rus" diesel ship so that it can take on 200 more tourists and can be returned to the profitable Australian-New Zealand line. As you can understand, we are not trying to live a good life, but only to hold onto the last things that we have. It's just that the state apparently no longer considers our problems to be its own.

Russo-Indian Trade Relations Reviewed

244F08964 Moscow *SEGODNYA* in Russian
30 Jan. 24 p. 3

[Article by Pavel Felgengauer: "India and Russia Want To Trade but Cannot; Narasimha Rao Will Try To Solve Problems of Military Technical Cooperation"]

[Text] Russia and India are long-time partners, and at one time were rather close allies. There used to be

common enemies: China and Pakistan, especially during the Afghan war. India obtained arms and Iraqi, for the most part, oil, which Baghdad used to pay for Soviet arms supplies. In exchange, the Soviet Union imported Indian tea, textiles, consumer goods, and other products.

India still has rather large state debts from that time and rather large amounts of Soviet weapons that are in need of servicing and spare parts. Anatoliy Bratukhin, deputy chairman of the State Committee for the Defense Industry, who is in charge of military technical cooperation with India, said: "The Indian Air Force has more than 1,000 MiGs (most of them MiG-21's, which should must now be either written off for scrap or modernized—P.F.). Ten aircraft plants were built in India both to service aircraft produced by our country and to manufacture new planes under license (the MiG-27 is currently produced under license). And now once again, after a long interruption, the Russian-Indian commission on aviation cooperation is back at work. It has held four meetings this year. However, it is naive to expect that hundreds of new aircraft will be brought, and failure to supply spare parts is undermining confidence in Russia."

The main problem on the road to even a partial resumption of Russian-Indian trade in general and arms exports in particular is difficulties in settlements with the non-convertible rupee, which is now more "wooden" than the ruble. Clearing rupees and dollars that the Indian Government uses to pay for arms deliveries and spare parts cannot be transferred directly to Russia. Before, specialized Soviet foreign-trade organizations used that conditional currency to buy certain goods and bring them to the USSR, while military-industrial plants were paid for their arms in rubles, as they were for the state order. Now the plants and associations are operating independently, but they have neither the experience nor the trained personnel to effectively carry out such complex trade operations.

As the ruble exchange rate in Moscow falls, the ruble equivalent is rising vis-a-vis the clearing dollars, which often sit unused in Indian banks for long periods of time. But the Russian Ministry of Finance does not distinguish between the clearing dollar and the normal one. The military-industrial plants' directors complain that the tax inspectorate demands that they pay taxes on "profits" earned in this way. The transfer of clearing dollars to Russia and purchase of goods from India and their import and sale, as a rule, result in losses that are 20 percent to 30 percent more than would be the case if the dollars were "normal." This makes the Ministry of Finance suspect that in this instance, currency earnings are being concealed abroad under the guise of fictitious deals. At the same time, the Russian Central Bank, which is also combating capital flight, does not allow clearing currency to be invested in India.

The Russian Ministry of Foreign Economic Relations is basically working to somehow bring about a resumption

of payments on the Indian debts, which New Delhi, if it agrees to repay them, will do only in the nonconvertible local currency. In order to avoid losing the Indian arms market altogether, in 1992 the Ministry of Foreign Economic Relations (the minister at the time was Petr Aven, and his deputy for military technical cooperation was Vladimir Shibaev) persuaded the government to provide India with a special state credit of \$830 million for two years for Russian arms purchases.

The credit was intended for joint Russian-Indian programs for the production of tanks, aircraft, and ships. But the credit has remained unused in many respects, and the programs have not been implemented. In an attempt to increase state budget revenues for foreign trade, the Russian Ministry of Finance has consistently reduced the percentage of payments to the immediate producers of arms to be delivered to India under the state credit. The military-industrial complex's share in early 1993 was 65 percent, fell to 40 percent in the fall, and currently stands at 30 percent.

Producers of components for the Indian Navy simply refuse to work under these terms. The Indian program for building Alpha-series warships has been halted. The hulls are ready and standing in the slips, but no Russian equipment and instrumentation is being received. The Indians are incurring enormous losses from the delays. Reduced deliveries of spare parts are limiting the combat-readiness of the Indian Army (which has many ships, tanks, and airplanes that cannot be used or whose capabilities are limited). The Indians raise this problem continually in negotiations.

It is clear that the problem of trade in general and arms sales in particular will be discussed once more at the highest level during Indian Prime Minister Narasimha Rao's visit to Moscow. And it is clear that an agreement will be signed prolonging the unused \$830-million Russian credit.

In principle, the Indians are interested in continuing cooperation in the field of defense. At an already operating tank plant that produces the T-72, they would like to begin production of the T-72S, a rocket-armed modification. Their obsolete T-55 tanks and fighters are in need of modernization, but Russia now has a serious and dynamic competitor—Israel, which has now developed effective ways to modernize Soviet-made tanks and aircraft.

Meanwhile, the sharply increased cost of raw materials, the overall decline in production, and the nonpayments crisis within Russia and in the CIS have sharply increased the cost of producing weapons. The economic efficiency of arms exports is falling, and the generals of the military-industrial complex contend that deliveries of spare parts are unprofitable altogether. In short, arms exports are by no means as profitable as is commonly believed. And this applies not to India alone.

During Prime Minister Rao's visit, certain decisions will probably be made, and many problems may seem for a

time to have been solved. The Russian Arms State Company is proposing to switch the state credit granted to India earlier to deliveries of finished defense products from Russia. The state company's general director, Viktor Samoylov, said: "We are proposing to India that deliveries under the credit for the Navy, which are not occurring, be replaced by deliveries of completed aircraft (the MiG-29 and the SU-27)."

However, all this is a partial solution. Flourishing trade between the inefficient (cost-based) economic systems of India and Russia was probably possible only under the very unique conditions of the 1970's and 1980's, under developed (mature) socialism in the USSR and the not quite as mature but nonetheless developed socialism in India.

Ambassador Views Relations With Syria

944K19581 Moscow LITERATURNAYA GAZETA
in Russian No. 30, 27 Jul 94 p. 9

[Interview with Aleksandr Zotov by correspondent Sergey Medvedko; place and date not given: "Russia-Syria: Golden Wedding.... What Is Notable in Their Relationship Today?"]

[Text] Damascus—Twenty-two July was the 50th anniversary of the establishment of diplomatic relations between Moscow and Damascus. But the ties that have existed between the peoples of our countries are much older.

How has Russian-Syrian cooperation been developing in recent years? I put this question to Aleksandr Zotov, Russian ambassador in the Syrian Arab Republic.

[Zotov] I arrived in Damascus in 1989, in the perestroika era. It was a difficult time. The Syrians had a cautious view of perestroika. And certain trends toward a decline in our relationship had begun to show through at that time.

[Medvedko] It has been traditional with us, incidentally, to write about the successes of cooperation, glossing over disagreements and crises. Have there been any?

[Zotov] There have been no crises. But there have been periods of complications and misunderstanding. In 1976, say, I accompanied V. Kosygin on his visit to Syria. The Soviet delegation attempted to dissuade the Syrians at that time from committing troops to Lebanon, events that Moscow portrayed as an upsurge of national-patriotic forces of the left in an alliance with the Ploestians. This allegedly promised a strengthening of Soviet positions in the region. Damascus, however, endeavoring to preserve a balance of forces in its favor, took a parochial view of things, persuading our leaders that they themselves would in time understand the need for the commitment of troops. We were not supporters of the commitment of troops, but I have to acknowledge that to some extent the Syrians were in this dispute right

They altogether adopted quite a responsible attitude toward an end to the civil war in Lebanon.

[Medvedko] This is an example of disagreements in the ideological field, but as regards the material sphere? It is said that cooperation has been of a cost-no-object nature. Damascus is not in last place on the list of our debtors. At what stage is this problem now?

[Zotov] This is a problem. And there is a debt. The Russian leadership has now taken up the question of an improvement in our payment relations; it would seem. Until recently, we negotiated quite insipidly on this issue, which, incidentally, the Syrians want to resolve today in order to improve their image in the eyes of the outside world. But they are, naturally, endeavoring to resolve this problem on the most favorable terms for themselves. There are prospects of its settlement, and pretty good ones at that. The cooperation was of a cost-no-object nature, of course. But the Syrians have paid off the debts connected with economic assistance. The clearance of the arrears (approximately \$7 billion) in respect to military credit, which was granted by way of Moscow's political response to the events in the Near East, is another matter. This cost-no-object military assistance was part of our great geopolitical game as a great power in open rivalry with the United States. And we are having to pay for it.

[Medvedko] Syria is a traditional importer of Russian arms. This aspect not only interests Russia and the Syrian Arab Republic, it disturbs, if not frightens, Israel and the West. At what level is cooperation in this sphere today?

[Zotov] A discussion on this topic was conducted in the course both of the April visit of Oleg Soskovets, first deputy prime minister of Russia, and at the time of the recent visit to Damascus of Mikhail Kolesnikov, chief of the General Staff. But the Israelis have no cause for alarm. I don't believe. First, there were no agreements on large-scale arms supplies. Second, Russia remembers that it is a co-sponsor of the peace process in the Near East and that peace is for the former what is most important. Nor do the Syrians, it would seem, have any desire to recklessly arm themselves for the preparation for a new spiral of confrontation. But maintaining defense capability is another matter. We intend to cooperate along lines presenting no threat to neighboring countries. To help maintain the equipment that is already available and to supply parts, for example. Thought may be given to the creation of a modern air defense system, which would be rather a stabilizing factor. Damascus is spending up to half its budget on defense needs and, it seems to me, would give this up with pleasure, allocating funds for a rise in the people's living standard, which, of course, would strengthen the positions and esteem of the authorities.

Russo-Turkish Relations Seen Entering New Phase

944F1061A Moscow NEZAVISIMAYA GAZETA
in Russian 16 Jul 94 p 1

[Article by Nikolay Plotnikov, military observer of NEZAVISIMAYA GAZETA: "General Gures: 'Russia Has Become a Serious Threat to Turkey...': Russo-Turkish Rivalry Enters a New Phase"]

[Text] We begin with the fact that at the end of May, right at the height of the Crimean confrontation, Ukraine was visited by Suleyman Demirel, president of the Turkish Republic. While in Kiev, the Turkish leader spoke officially for the first time about the Russian threat in the Black Sea. Together with this there has been increased activity on the part of the Turkish Navy, and its exercises in conjunction with its NATO partners have become more frequent.

We may recall also an interview given by Army General Dogan Gures, chief of the General Staff of the Turkish Armed Forces, to the newspaper SABAH on the eve of Suleyman Demirel's visit to Ukraine and to Moldova. The general declared: "Russia has become a very serious threat to Turkey. I became aware of this expansionist policy of Russia exactly a year ago. There is at the present a Russia operating with the ambitions of the tsarist regime. It is laying claim to the 30 million Russians that remain outside of its borders. Russia is playing a game with Georgia, Crimea, Ukraine, and Azerbaijan. There are Russian divisions on our border with Armenia. We are experiencing difficult days."

Ankara has proposed specific measures in an endeavor to confront Russia's expansion. Thus Demirel has advised all Turki with Tatar roots who so desire to return to Crimea, with Kiev's consent. The president of Turkey cited a figure of the possible Crimean Tatar re-emigres to the peninsula—600,000. In exchange Kiev was given the corresponding promises on the subject of economic aid and political assistance in Ukraine's establishment in the international arena. A week earlier, during his visit to Moldova, Demirel signed an agreement on the allocation of \$35 million in the form of credit to assist the southern areas of this republic with the compact residence of the Gagauz.

As far as Crimea is concerned, in Ankara's geopolitical plans the peninsula is on the same footing as such flash points as Tajikistan, the Caucasus, Cyprus, and Yugoslavia. Ankara is engaged increasingly actively in the economic, political, cultural, and information penetration of Central Asia and the Caucasus. Turkey's special services have become noticeably more active in the states of this region.

Turkey is endeavoring to set up military cooperation with the states of this region also. Even now servicemen of the national armies of a number of states of the CIS are being taught at Turkey's military training institutions with certain countries' financial assistance. According to

a high-ranking officer of the Ministry of Defense of the Republic of Uzbekistan, the command staff of the national armies will in a few years be going for consultations not to Moscow but to Ankara.

We have a situation where, following the disintegration of the USSR, the traditional military-political and economic leader in the south has disappeared. And although Russia's current power, nuclear included, still enables it to maintain the status quo, it may be affirmed, nonetheless, that Russo-Turkish rivalry in the region is entering a new phase.

Turkey's armed forces consist of an army, air force, and navy. The police forces of the Interior Ministry are an integral part of the armed forces. The supreme commander is the president of the country. According to specialists, the relatively high level of training and military discipline of the personnel, a large well-trained reserve, and a developed infrastructure are among the strong aspects of the Turkish Army. The provision of a substantial number of divisions and brigades with obsolete equipment and arms constitutes the weak aspects.

Turkey controls a most important strategic frontier in the South European theater—the zone of the Black Sea straits.

The 3d Field Army is deployed on the border with the states of the Transcaucasus. It is armed with over 1,500 tanks, approximately 2,500 guns and mortars, and more than 1,100 armored transport vehicles. The army grouping could be supported by the 2d Tactical Air Command (up to 270 combat aircraft). Great attention is being paid to possible psychological warfare operations. The 3d Army has a special psychological warfare company.

Chernomyrdin Reports to RF Ambassadors to Africa

944F10824 Moscow, *SEGODNYA* in Russian
22 Jul 94 p 3

[Article by Vladimir Abarikov: "New African Course: Exacting Arrears and Developing Arms Exports: Message of Prime Minister Chernomyrdin to Russian Diplomats"]

[Text] Viktor Chernomyrdin caused a furor last week when he was the main speaker at a conference of Russian ambassadors in African countries. This is not the first time that the Ministry of Foreign Affairs has held regional conferences of ambassadors. Let us recall, for example, an analogous measure dedicated to the "near abroad," a much more sensitive subject for Russia, although the prime minister did not honor it with his presence.

By the way, a commentator will be wasting his time if he tries to find anything specific to Africa in Chernomyrdin's speech. It is universal in nature and quite applicable to Russia's relations with any country of the Third World. In addition, a significant part of his speech was

dedicated to a report on work that has been done. When he had heard the head of the government, Minister Kozyrev immediately appreciated this universalism. He not only promised to send the text of the speech to all Russian ambassadors in the form of a circular letter but he also declined to give his own previously planned speech, limiting himself to a few remarks and thereby letting it be understood that Viktor Stepanovich had illuminated the situation and the tasks of Russian diplomacy in a comprehensive manner.

Of course it was not to be expected that the top manager would give a political analysis of Russian-African relations. He concentrated on trade and economic ties, whereby he did, however, drop a few notable sentences. *SEGODNYA* has already quoted one of them: "The political and socioeconomic degradation of the continent is fraught with the most serious consequences of a global nature." In addition, the prime minister declared that Russia has its own "rather definite" interests in Africa.

To the extent that one can judge, these interests involve the restoration of former economic relations and the entering into new relations. In acknowledging the professionalism of the diplomats, the speaker nonetheless sketched a depressing picture of the decline of the volume of Russian trade with the countries of Africa. In 1992, this indicator amounted to more than \$1 billion, last year it fell to \$760 million, and in the first half of this year it was down to \$220 million. Chernomyrdin is not satisfied either with the volume or with the "extremely deformed" geographic structure of trade flows: 83 percent of the commodity turnover is attributed to the countries of North Africa. It was stressed in particular that relations with the previous ideological allies of the Soviet Union have "lost their former dynamics." It is necessary to "redevelop" these ties on a "healthy economic basis", the prime minister pointed out.

Viktor Chernomyrdin then addressed the problem of African debts. Recognizing that it is not possible to exact arrears in full and in hard currency, he called for the application of a complex approach: to try to reinvest the debts directly in the debtor countries, to strive for payment in local currency, and to spend it on the maintenance of Russian institutions and only in extreme cases to raise the question of the sale of debt obligations, inasmuch as "we already have negative experience."

The chairman of the government believes that military-technical cooperation with the countries of Africa or, more simply, the arms trade is a very promising article of Russian exports there. The "prolonged pause" Chernomyrdin pointed out, has been utilized by countries producing arms under Russian licenses, although their quality is inferior. The prime minister called for engagement in competition for the African arms market, thereby noting that dumping is inadmissible here, just as are preferential loans, to which some African leaders

have become accustomed. In comparison with other regions on the African continent, the task of Russian arms traders is to some extent simplified because, as the speaker reported, the armed forces of the countries of Africa are 60 percent equipped with Russian weapons and in some cases it is 90 percent. At the present time, the Government of Russia has already sanctioned corresponding agreements with Djibouti, Namibia, and Sierra Leone. Military-technical cooperation is being reestablished with Ethiopia and Angola and an agreement is being prepared with the Republic of South Africa.

As he departed, Chernomyrdin promised not to further reduce the number of Russian diplomatic institutions in Africa and to increase the pay of ambassadors in Africa to the amount received by their colleagues in Europe.

In thanking the speaker, Andrey Kozyrev considered it necessary to note that the sale of weapons to African countries does not by any means contradict but rather is "organically linked" with the policy of strengthening security that Russia is implementing. Then, with no connection with any statements made by Chernomyrdin, the minister suddenly declared that Russia does not rule out the establishment of military bases not only in the CIS but also in other countries "that are interested in Russian guarantees to strengthen their security on a mutually advantageous basis."

The sentence about the degradation of the continent is not an empty sound. The genocide in Rwanda is the most impressive but by no means the only example of this degradation. But how do deliveries of Russian weapons help Africa? Africans are using these weapons to kill each other in Angola, Mozambique, and Somalia. Russian citizens are being killed with Russian weapons in Algeria. The region is full of arms, there being enough of them to last for decades. What kind of dumping are we talking about? The Kalashnikov assault rifle can be purchased here for next to nothing. No one knows in whose hands these arsenals will end up when entire states change hands. As Viktor Chernomyrdin declared, however, henceforth we will not cooperate "on the basis of political-ideological preferences." But still one would like to know what Minister Kozyrev meant when he spoke of the "organic link" between the export of weapons and the security policy.

Cooperation of CIS Countries' Secret Services Noted

944F11074 MOSKOVSKIYE NOVOSTI in Russian
No. 27, 3-10 Jul 94 p. 2

[Article by Aleksandr Kakotkin: "The Special Services: A Single Chekist Space"]

[Text] While the politicians of the Commonwealth of Independent States have been arguing about means of possible integration, the special services of these countries, without any special sensation, are already doing it. With the conclusion recently of an agreement [dogovor]

between the Ministry of National Security of Moldova and the Federal Counterintelligence Service of Russia, the latter closed the circle of bilateral agreements with the CIS countries.

But the first such agreement was concluded with the National Security Committee of Kazakhstan already in March 1992. They are in principle of the same type, including the obligation not to work against each other and joint work against the drug mafia, terrorism, and organized crime. Not all came at once to an understanding of joint efforts. Some tried to put their wager on other countries, but they became quickly convinced of the inequality, to put it mildly, of such a partnership. An opposite trend was also observed. For example, colleagues from some republic call and report that some object that belongs to them is sitting in Moscow. And, in a friendly way, they propose to send their investigators to get it, forgetting that this question now must be decided on the intergovernmental level. And on the whole, in one way or another, all have gradually come to the conclusion that an old friend is better than two new ones and they want to operate, roughly speaking, as in one country. And they are even sincerely offended when they find out that it would now be necessary in principle to pay for the instruction of a specialist in the Moscow Academy of the Federal Intelligence Service, and to pay in foreign currency.

The common struggle against espionage may become a promising direction in the joint work. But here a question arises at once—against whom? Russia, as it were, does not have enemies now. As a result, the anecdote may happen, where the Russian Federal Counterintelligence Service, in accordance with the agreement jointly with the Belarusian KGB [Committee for State Security] catches a Ukrainian spy in Minsk, and then there is a telephone call from Kiev to Moscow, and, as much as it is possible in such a situation, Moscow is politely reminded that Russia and Ukraine also have an agreement concerning the joint struggle against Belarusian espionage.

The chief of the Treaty and Legal Department of the Federal Counterintelligence Service, Yuriy Demin, reported that the closest cooperation now is with the Belarusian KGB (the only one, which up to now has retained the old name). Work with Kazakhstan and Ukraine is not going badly. True, there are no serious contacts with the Baltic special services. But Yuriy Demin is convinced that there is a need, and it is precisely the attack of the Russian mafia on them that will compel people to remember this. In his words, there are also problems that are purely ours. Up to now, questions of extradition (the mutual extradition of criminals and suspects) are clearly not regulated. Already for quite a long time, a convention on legal assistance, signed by the heads of state of the CIS, has been gathering dust in the Duma; it has not only not made it to the ratification stage, but, it appears, has not been seriously discussed. So that it is a long way to a single Chekist space.

KAZAKHSTAN

Murder Linked to Ethnic Tension

944K1952A Almaty KARAVAN in Russian
No 30, 29 Jul 94 p 7

[Report by Aleksandr Kotseruba: "Strangers Among One's Own?"]

[Text] NORTH KAZAKHSTAN OBLAST—North Kazakhstan Oblast—especially its administration, the Committee for National Security, and the militia—was jolted by the murder of a young man in Belogradovskiy sovkhos. In response to the tragedy, 107 mothers in the sovkhos signed a petition to oblast assembly deputies...

Two years ago, North Kazakhstan accepted first resettlers from Mongolia. They were met hospitably—provided with housing, work, food. The relocation was accompanied by a loud propaganda campaign. The press, television, and radio all extolled reunification of the people.

Approximately at the same time, the local branch of the Russian community sounded the alarm by sending to the oblast soviet a letter with a telling title: "In Defense of Our Kazakhs." It pointed out, in particular, that playing on ethnic feelings and going overboard in this matter may lead to regrettable consequences. The people simply will not understand why the new arrivals get everything right away, while the local people, who have toiled this land in sweat, remain in the end of the line. The oblast soviet session ignored this letter.

And now the worst happened. Clashes began between indigenous Belogradovskiy residents—Kazakhs, Tatars, and Russians—and the resettlers. And it all ended in murder. A local young Kazakh man, who recently returned from a fixed-term military service, bled to death.

Despite the tragedy of the event, the petition did not have a word of reproach toward the resettlers.

Railway System Seen Nearing 'Paralysis'

944K1934A Almaty KAZAKHISTANSKAYA PRAVDA
in Russian 27 Jul 94 p 2

[Article by Beyspek Nurgalimov, department chief of the railways department of the Ministry of Transportation and Communications of the Republic of Kazakhstan: "We Have No Other Way: Republic Steel Arteries Are on the Verge of Paralysis"]

[Text] Railroads may be compared with the circulatory system of the complex economic organism. Failures in its functioning inevitably lead to arrhythmia of all national economic sectors of the republic. And the current situation on the railroads is such that a danger of a transportation paralysis becomes a dark, frightening reality.

Take the pool of train locomotives. Currently it does not meet transportation needs, despite the fact that their volume has declined lately by a factor of 2.5 and continues to fall. A large number of locomotives have been stripped of parts; they rust, gradually deteriorate, and become unusable. Because of the moral and physical obsolescence, and well as design problems, more than half of train locomotives are not fit for further exploitation.

The same goes for railcars, among which 5,000 freight and 650 passenger "veterans" of transportation must be junked. By the end of the century, one-fifth of the entire rolling stock will become immobile exhibits of the socialist era museum. In short, although the need for transportation, especially passenger travel, is growing, with a great deal of strain we can only meet 60 percent of it. To provide a full volume of services, we will need 1,600-1,700 passenger and almost twice as many freight railcars. Currently, because of serious breakdowns, more than one-third of the freight rolling stock is not making its upbeat percussion sound along the rails. And who cares for music anyway, when there is no rolling stock to move petroleum products and sulfuric acid. The inability to get the latter from the point of production brought to its knees the republic's nonferrous metallurgy. Almost half of cisterns also are unfit for transportation of oils and lubricants.

But even those railcars that are still able to serve may be derailed at any time. Today more than 4,000 km of track and 368 railroad bridges miraculously avoid catastrophes, despite being used above all norms. Trains have to slow down deliberately at these segments. And judging by all signs, we should not expect any replacement—deliveries of track rails from the near abroad are so small that we will probably simply continue to take precautions.

By the way, transportation safety at steel arteries is questionable anyway. There are no accumulators, signaling and block system cable, and other "near abroad" products necessary for maintaining automatic block system devices. Their reliability has declined perceptibly, and this already is reducing the railroads' flow capacity.

The state of the economy is judged by the situation in transportation. And it is not at all accidental that the crisis in the economy is beginning to acquire an increasingly threatening nature. The railroad industry so far mainly meets the transportation needs, but at the cost of great losses and effort. For these reasons alone, the cost of its services has increased perceptibly—and naturally, the cost of various products produced in the republic has gone up as well. It is hard to imagine where it is all going, although there is an opinion somewhere that this transportation sector operates without problems. As a result, this year financing for design bureaus has been cut entirely, and only a negligible amount of money was

allocated for construction and erection work. Implementation of already planned measures is being postponed for an indefinite time.

It is, of course, possible and not too late to avert a collapse in transportation if railroads stop being the lowest peg in the state policy and defense concept. The first thing that has to be done is to develop a general blueprint for electrification of republic railroads and transfer railroads to electric traction. Electric locomotives are more reliable in exploitation; their normative useful life is almost twice as long as that of diesel locomotives. And they cost half as much. Reducing to a minimum the variety in locomotive design will make their maintenance perceptibly easier. With the future completion of GRES-3 [state regional electric power station] and GRES-4 in Ekibastuz and other power generating capacities, this can be realistically implemented. At the same time, we cannot sustain the expenses for building repair plants and facilities for diesel locomotives and production of spare parts for them—this is beyond of what we can afford, and also essentially a waste if we are to switch to electric traction.

It is necessary to set up production of passenger and freight railcars. I think that since we have our own equivalent of Magnitogorsk, it is impermissible and unforgivable not to build capacities for production of metal-intensive output. We have our own metal and specialists: we have an acute need for railcars—so we need to set up their production.

It is important to utilize our industry for production of items and materials for railroad transportation needs.

Naturally, there are things that also depend on railroad industry workers. For instance, because of low volume of work some locomotive depots have become unprofitable. Why not combine these enterprises, and use vacated production facilities for other purposes? Most of cement carrier cars and platforms are idle, while at the same time we have an acute shortage of freight railcars. The need for passenger car repairs is not fully met. If we organized restoration work, it would allow us—at least temporarily and without purchasing new ones—to put back on track the damaged "veterans." We could—alone or in cooperation with colleagues in the near abroad—set up production of spare parts, components, and materials for railroad needs. In short, it is time for us, on our own and without waiting for state support, to begin adapting to a market environment and its demands. The measures we take must be quick but at the same time thought through.

First Half 1994 Economic Figures Published

944K18971 Almaty SOVETY KAZAKHSTAN I
in Russian 23 Jul 94 p 2

[KAZIAG report: "The Downward Trend in the Standard of Living Persists. The Outflow of the Population Continues. On the Socioeconomic Situation in the Republic in the First Half of 1994"]

[Text] Complex and ambiguous as the socioeconomic life of the republic is, the process of reforms in the economy, which is leading toward a multiplicity of sectors and the development of varied economic entities, is continuing.

Between January and May 1994, 1,300 enterprises (approximately 1 percent of the number of economic entities in the republic) changed their form of ownership.

Of privatized facilities, 321 enterprises were sold at auctions, 286 enterprises were sold through commercial tenders, and 529 enterprises were converted to the joint-stock format.

Some 768 enterprises, or 59 percent of the total number of privatized enterprises, were bought out with the funds of legal entities, 332 enterprises (25 percent)—out of the personal funds of citizens, and 140 enterprises (11 percent) were purchased with housing coupons. Some 48 stores, 82 consumer-service shops, 51 construction organizations, 20 sovkhoses, and five industrial enterprises became personal property.

As of the moment the decisions to privatize were made, 278,000 persons (7.2 percent of the number of those employed in the sectors of material production) worked at enterprises that underwent transformations, of whom 1,100 were slated to be laid off.

As of 1 April about 2,000 cooperatives, more than 9,000 small enterprises, and more than 11,000 private enterprises were registered among the economic entities with a nonstate format. The employees of cooperatives and small and private enterprises accounted for 3.8 percent of those employed in the national economy of the republic. In the first quarter they manufactured products worth 14 billion tenge. About 4 percent of the total number of nonstate entities were engaged in production and technical operations, and more than 16 percent in construction.

Enterprises and organizations with nonstate forms of ownership carried 235,000 tonnes of freight during this time. Proceeds from the transportation of freight came to 2.2 million tenge, and from the carriage of passengers—1.1 million tenge.

Construction organizations with nonstate forms of ownership performed contractor work worth 237 million tenge with their own resources, including the commissioning of 5,700 square meters of the total floor space in housing.

The balance-sheet profit of cooperatives in the first quarter came to 1.9 million tenge, and that of private enterprises—to 23.6 million tenge. Losses of small enterprises exceeded 173 million tenge.

As of 1 April 1994, 34 state, national, joint-stock, and state-joint-stock holding companies, to which 555 enterprises belonged, had been created and were operational.

in the industry of the republic. They account for more than 75 percent of the total volume of industrial output produced in the republic.

In the agricultural sector of the republic, new agricultural entities produced in the first quarter about 50,100 tonnes of meat in terms of live weight (25 percent of the production at all agricultural enterprises in the public sector), 70,700 tonnes of milk (18.5 percent), and 171.9 million eggs (41 percent).

By the beginning of April there were more than 17,000 peasant (owner-operated) farms. They produced 2,100 tonnes of meat (in carcass weight) and 5,800 tonnes of milk which was, respectively, 27 and 19 percent below the 1993 level.

As of 1 April more than 1,400 joint enterprises established with the participation of 61 states were registered in the territory of the republic. Of the above, the operating enterprises exported goods worth \$33.7 million and imported goods worth \$24.3 million. The proportion of joint entrepreneurship in the total volume of republic deliveries came to 16 and 12 percent, respectively.

Some 201 banks, 33 exchanges, and 341 commercial insurance companies have been created and are in operation.

Despite a certain relative recovery of production in March through May, the accomplishment of the most important and urgent task—macroeconomic stabilization—was not ensured. Between January and May the production of the gross domestic product fell by 26.9 percent compared to last year, the volume of industrial output—by 29.4 percent, capital investment from all sources of financing—by 61.3 percent, and retail sales—by 38.7 percent. Quite a high level of inflation persisted (32.2 percent per month on average).

Services accounted for a predominant proportion (52.8 percent) in the structure of the gross domestic product which resulted from the accelerated growth of prices and a reduction in the output of goods. A stable growth in producer prices (the January through June index—933) pushed up the profits of enterprises by a factor of 7.6 while at the same time increasing the number of enterprises operating at a loss.

Finance and Credit

According to data from the Ministry of Finance, between January and May 1994 the state budget was implemented in the amount of 17.8 billion tenge on the revenue side (taking into account the attracted funds of the National Bank), and in the amount of 16.1 billion tenge on the expenditure side.

During this period, profits amounting to 8,811.7 million tenge were generated in the sectors of the economy (except for agriculture, cooperatives, private and small enterprises), of which 8,574.8 million tenge were generated by industrial enterprises, while enterprises of transportation and road maintenance and procurement organizations allowed losses to occur in the amounts of 1.6669 billion and 91.8 million tenge, respectively.

Compared to the corresponding period of last year, profits in the economic sectors increased by a factor of 7.6, in industry—by a factor of 9.5, and in construction—by a factor of 11.5.

However, this increase failed to improve the financial standing of enterprises and organizations. The number of enterprises operating at a loss grew. Their proportion was greatest in municipal facilities (44.8 percent of the total number of enterprises in the sector), consumer services to the population (38.7 percent), and communications (34.8 percent).

The need for borrowed funds continued to grow. The total volume of credit resources in the republic as a whole increased by a factor of 7.4 in 1993, and another 2.9-fold in the six months of this year. As of 1 July it exceeded 42 billion tenge, of which 34.7 billion tenge (more than 80 percent) were provided to enterprises and organizations through commercial banks. Short-term loans prevailed among borrowed funds (97.6 percent). The average duration of loans came to between three and four months, which was caused by a high degree of risk and uncertainty in the environment of crisis and inflation. The interest rate charged for the use of credit increased. In March the average percentage rate emerging from the results of trading sessions came to 330 percent, in April—to 368 percent; in June it reached 450 percent.

The overdue debt of enterprises and organizations of the republic increased in 1993 by a factor of more than 69, and twofold again in the six months of this year. As of 1 July it came to 14.3 billion tenge. Mutual settlements between enterprises and organizations (8.2 billion tenge) account for the bulk of the overdue debt, which exceeds the loan debt by one-third.

Since the beginning of 1994 the issuance of money for circulation has come to 5,186.6 billion tenge, which exceeds the statistic of emission during the corresponding period of 1993 by a factor of 6.6.

Industry

In the first half of the year, industry manufactured products worth 80.7 billion tenge. Compared to the January through June period of last year, the physical volume of the production of output came to 70.6 percent.

Out of 210 types of products registered in periodic reporting, the volume of production of as few as 14 items increased compared to the January through June period of 1993. Greater amounts of manganese ore, steel pipes, polypropylene, metal-cutting tools, rolling equipment, TV sets, video cassette recorders, fancy goods of leather, macaroni products, mayonnaise, toilet soap, and vodka and liquor-and-vodka products were produced.

Production of 192 items fell. They include, electricity, coal, oil, natural gas, pig iron, steel, finished rolled goods, tinplate, ferroalloys, coke, metal-cutting machine tools, excavators, bulldozers, cars, tractors, agricultural machinery, yellow phosphorus, tires, cement, corrugated

asbestos board, fabrics, carpets and carpet products, washing machines, tape recorders, bicycles, butter, synthetic detergents, table salt, and others.

Phosphate ore, synthetic rubber, styrene, and caustic soda were not produced at all.

Capital Construction

Between January and June, enterprises and organizations with all forms of ownership and individual developers used their own and centralized funds coming to 10.494 billion tenge for capital construction. Compared to the first half of 1993, the volume of capital investment out of all sources of financing dropped by 53.3 percent.

Some 952,500 square meters of total floor space of residential buildings were commissioned in the republic, which was 885,500 square meters, or 48 percent, less than in January through June 1993.

Hospitals with 170 beds (51 percent of the first half of 1993), were built and commissioned, as well as outpatient facilities and polyclinics for 520 visits per shift (70 percent), preschool facilities with 800 slots (30 percent), and general schools with 1,109 student slots (57 percent).

The financial position of construction organizations remains unstable in conjunction with the continuing decline in the investment activity of developers caused by a shortage of financial resources as a result of inflation. Based on 1993 performance, 103 organizations, or 8 percent of the total number, were unprofitable, whereas in January through May of this year their number increased to 241, or 20 percent.

Agriculture

The volume of the gross product during the half year came to 7.372 billion tenge, which was 1.275 billion tenge (15 percent) less than last year.

Public-sector farms produced 372,700 tonnes of meat in terms of live weight (48.8 percent of its production on farms of all categories), which compared to 1993 was 103,500 tonnes less; 1,011,100 tonnes of milk (39.6 percent), 213,300 tonnes less; 849 million eggs (58.9 percent), 205.3 million fewer; and 27,900 tonnes of wool (57.1 percent), 14,500 tonnes less.

The average output of the main types of animal products in the republic on farms of all categories per capita in the first half of the year came to 45 kilograms of meat, 159 kilograms of milk, and 83 eggs (in 1993—77 kilograms of meat, 329 kilograms of milk, and 194 eggs).

The productivity of cattle fell considerably in the past six months, and the preservation and reproduction of the herd deteriorated. Thus, the average milk yield per cow on public-sector farms fell by 127 kilograms, or 12 percent, compared to the corresponding period of last year.

Per 100 females, agricultural enterprises with all forms of economic operations received during the half year 39

calves (87 percent of the January through June period of 1993), 748 piglets (81 percent), 70 lambs and kids (77 percent), and 47 foals (78 percent). Cattle loss remained considerable. As of the beginning of July, agricultural entities with all forms of economic operations lost 135,400 head of bovine cattle (0.7 percent more than last year), 235,700 hogs (3.2 percent more), 2,814,500 sheep and goats (4.8 percent more), 45,500 horses (2 percent more), and 3,400 camels (2.2 percent more).

As a result, the volume of deliveries of animal product deliveries to state stocks fell on farms of all categories. Compared to the corresponding period of last year, total purchases of cattle and poultry (in terms of live weight) came to 59 percent, milk—70 percent, eggs—76 percent, wool—47 percent, and vegetables—73 percent.

The financial position of many agricultural producers deteriorated sharply last year. The number of farms operating at a loss increased and came to 1,302 (50 percent of the total number); their losses totaled 546.6 million tenge.

Transportation and Communications

In the first half of the year the volume of freight carriage by public-use transportation came to 148 million tonnes, and fell by 45 percent compared to the corresponding period of last year.

Railway transportation failed to meet state requisitions for the carriage of coal, coke, oil and timber freight, iron ore, ferrous metal, ferrous metal scrap, fertilizer, and cement because of reductions in industrial production, as well as because of the failure of the shipper enterprises to meet loading plans and the insolvency of recipients.

An average of 1,925 cars were not unloaded daily. This was 18 percent more than in the first half of 1993.

Public-use motor vehicles carried 60 million tonnes of freight and 834 million passengers, a fall of 60 and 28 percent, respectively. More than 70 percent of trucks, 50 percent of buses, and 39 percent of taxicabs were still idle at motor pools. Half of the motor fuel was attributed to the no-load mileage of trucks.

During the half year, air traffic dispatched just over 1 million passengers, 11,000 tonnes of cargo, and 422 tonnes of mail, which, compared to the first half of 1993, was 39, 21, and 46 percent less.

Passenger traffic in public-use transportation fell in the first half of the year by 18 percent compared to the corresponding period of last year, including a fall by a factor of two in air transportation, 19 percent in motor vehicle transportation, 62 percent in inland waterway transportation, and 5.4 percent in railway transportation.

In the five months of this year, pipeline transportation moved 10 million tonnes of oil and almost 3 million tonnes of gas which was, respectively, 30 and 27 percent less than during the same period of 1993.

In the five months the volume of the sale of communications services to the population came to 186 million tenge. Communications enterprises generated proceeds in the amount of 900 million tenge. A considerable growth of proceeds occurred mainly due to the growth of the cost of the services provided.

Foreign Economic Activities

Between January and June 1994 the volume of export and import operations of the republic (excluding CIS countries and the Baltics) came to \$837.7 million, and fell by 13 percent compared to the corresponding period of last year (including a 27 percent drop in exports and a 35 percent increase in imports).

The foreign trade structures of the republic exported products worth \$440.6 million (63 percent of the corresponding period of last year) and provided services worth \$8.7 million to foreign customers (36 percent).

Product imports through foreign trade structures come to \$242.5 million (133 percent of the corresponding period of last year), and imports of services—\$1.5 million (48 percent). Joint ventures exported goods worth \$95.2 million dollars (an increase by a factor of four compared to the six months of 1993), and imported goods for \$49.2 million (92 percent).

As in the past, raw and other materials accounted for the predominant proportion in the commodity structure of exports by joint ventures (99.8 percent). Consumer goods accounted for 54 percent of all incoming imports. Compared to the corresponding period of last year, purchases of machinery and equipment fell from 45 to 19 percent of the total amount of imports.

By 30 June 1994, 2,818 tonnes of products and goods had reached the republic within the framework of foreign humanitarian aid, of which 2,277.2 tonnes were foodstuffs, 263.5 tonnes—medicines, and 199.6 tonnes mixed freight. The bulk of humanitarian aid was directed to Aktyube, Kyzyl-Orda, West Kazakhstan, and Atyrau Oblasts. Some 84 percent of humanitarian aid came from the United States, 9 percent from Japan, and 6 percent from Germany.

Between January and June, Kazakhstan shipped to nearby foreign countries within the framework of interstate deliveries 511,200 tonnes of rolled ferrous metals (738,200 tonnes were shipped in the first half of 1993), 872,400 tonnes of grain (1,7021 million), 69,000 tonnes of cement (51,400 tonnes), 97,500 tires (405,600 tires), 3,186.9 tonnes of wool (12,684.1 tonnes), and 9,400 tonnes of mineral fertilizer (70,400 tonnes).

Fuel resources were mainly shipped in from Russia, with the exception of natural gas, for which Russia's share came to 8.4 percent, that of Uzbekistan—to 35 percent, and that of Turkmenistan—to 56.6 percent.

Gasoline and diesel fuel were shipped to the republics of Central Asia and Ukraine, and coal to virtually all Commonwealth countries.

Price and Rate Indexes

Mounting inflationary processes in all sectors of the economy were characteristic of the last half year. The overall level of inflation—the consumer price index came to 534.3 percent in June of this year compared to December 1993, which corresponds to the monthly increment of 32.2 percent during the half year.

A sharp growth of prices in most sectors of industry of the republic was characteristic of the dynamics of changes in wholesale prices during the past six months.

In the fuel industry, prices for the main types of energy resources increased during the second quarter by a factor of two on average every month, and in June 1994 grew by a factor of 8.5 compared to December of last year.

An increase in fuel prices for power stations, primarily gas and coal prices, was the main reason for the 7.8-fold growth of rates in power generation.

A sharp increase in the prices of raw and other materials and accessories, especially those shipped in from outside the republic, was another reason spurring on inflation in industry.

Wholesale prices charged by producers grew by a factor of 10 during the half year, and in nonferrous metallurgy—by a factor of 14.

In the chemical and petrochemical industries the level of wholesale prices grew at an average monthly rate of 26 percent, and for the period since the beginning of the year this level increased by a factor of more than nine.

Prices for construction materials grew by a factor of 8.5 during the period since the beginning of the year.

The cost-based arrangements for price setting in light industry were aggravated by a persistent shortage of raw materials, which caused prices in this sector to grow by a factor of six in the first half of the year.

To a considerable degree the dynamics of prices in the food industry were formed under the influence of the growth in sale prices for agricultural products. In the six months of this year, meat and dairy products became 7 and 10 times more expensive, respectively.

Wholesale prices for the products of the butter and fats industry increased by a factor of eight during this period of time, and for confectioneries—by a factor of 11. Prices soared the most—by a factor of more than 13—in the production of soft drinks, which was in great measure associated with the growing cost of food concentrates that are purchased outside of the republic for the production of soft drinks.

The overall index of sale prices for products of animal husbandry in May of this year came to 528 percent compared to December 1993.

The level of prices in all sectors of material production was also affected by rises in the rates for freight carriage. During the six months of this year these rates increased by a factor of 9.8.

The growth of rates for passenger transportation services by a factor of 7.8 since the beginning of the year was generated by a raise in fares for streetcar and trolley-bus passengers by a factor of 9.7 and for public-use bus passengers by a factor of 5.7.

Between January and June, communications services became 3.6 times more expensive. Rates for the services of cable communications grew by a factor of 7.8. In the process, the cost of sending an international telegram grew by a factor of 20, and for telegrams to CIS countries and within the republic—by a factor of three. Radio subscription fees and payments for the services of long-distance communications increased by a factor of more than four. During this period, services of urban telephone communications became three times more expensive, and those of postal communications—2.3 times more expensive.

A trend emerged in the consumer sector of the economy toward a decline in the population's aggregate demand for goods and services and its reorientation mainly toward foodstuffs. As a result, the rate of increment in prices for foodstuffs exceeded that for manufactured goods by 24 percent in January and subsequently by 4 to 7 percent monthly.

In the first half of the year, foodstuffs became six times more expensive on average in the republic.

During the half year on the whole, manufactured goods became 4.4 times more expensive.

Prices and rates in the sector of paid services increased by a factor of almost eight. The greatest increases in such prices were registered for the services of municipal facilities—by a factor of 27, housing facilities—by a factor of 19, health care—by a factor of 18, and culture—by a factor of 15. Prices increased at a somewhat slower rate for services of a legal nature and those of Savings Bank institutions—by a factor of four, consumer services—by a factor of five, sanatorium, resort, and health-maintenance services—by a factor of seven, and the services of preschool facilities—by a factor of 11.

Among the consumer services tracked, prices for ceremonial services increased to a greater degree—by a factor of 24, furniture repair—by a factor of 22, services of baths—by a factor of 18, and laundry services—by a factor of 11. Prices for the services of hairdresser and barber shops increased continuously.

Monetary Income

According to the data of household surveys, the average per capita monetary income came to 408 tenge in May; in urban areas—560 tenge, and in rural areas—257 tenge. The general downward trend in the standard of

living of the population persisted. The real income of surveyed households in May did not reach the level as of the beginning of the year.

A considerable gap (by a factor of 1.4) still exists between the labor compensation of those employed in the sphere of material production (1,114 tenge) and in nonproduction sectors (796 tenge).

A substantial increment (85 percent) of wages was registered for employees of the sector of general commercial activities in support of the operation of the market, whose average monthly wage exceeded 2,000 tenge. Labor compensation remained higher than average in construction, transportation, communications, and industry (between 1,170 and 1,549 tenge).

Wages in credit and banking institutions exceeded the average level in the republic by a factor of more than two and reached 2,038 tenge. The levels of wages were the lowest, between 571 and 688 tenge, in industries of a seasonal nature (agriculture, forestry, fisheries), as well as for employees of education, health care, culture and art, and social welfare (between 561 and 706 tenge).

According to data from a special survey by telephone, 85 percent of respondents are dissatisfied with their monetary income; 80 percent believe that their financial standing has deteriorated, 14 percent—that it has not changed, and only 3 percent—that it has improved.

Consumer Goods Market

Retail sales increased due to a rise in consumer prices by a factor of 14.3 compared to the January through June period of last year and came to 13.905 billion tenge. The state sector accounted for 42 percent of the volume of retail sales, consumer cooperatives—16 percent, and the nonstate sector—42 percent.

Agricultural products, including live cattle, worth 593 million tenge, or 14 percent more than during the corresponding period of last year, were sold during the first half of this year at urban marketplaces in oblast seats.

The supply of potatoes and vegetables for the population of the republic deteriorated considerably. Between January and June 72,000 tonnes of potatoes and 53,000 tonnes of vegetables were delivered, which was 36 and 42 percent less, respectively, compared to the previous year.

Employment of the Population

In May of this year the payroll number of workers employed in the state sector of the economy came to 5,3698 million people, or almost 68,000 people less than at the beginning of the year.

As of the end of June the number of unemployed came to 52,000, of whom residents of rural areas accounted for

more than one-half. Some 22,000 persons drew unemployment benefits; other forms of social protection were provided for 7,000 persons.

The "hidden" unemployment situation became aggravated. The number of enterprises which completely shut down production increased. Some 163 enterprises switched to a schedule of short work hours. Some 107,000 people were put on unpaid or partially paid furloughs.

The Demographic Situation

Between January and May of this year, 130,100 persons were born in the republic. The general birth rate fell by 0.5 percent and came to 18.5 births per 1,000 population.

The number of deaths during the same period grew by 2,800. The general death rate increased from 9.4 to 9.8 deaths per 1,000 population.

Infant mortality was still high. On average in the republic, of each 1,000 babies born, 26 died before the age of one. The level of infant mortality was the highest in Atyrau, East Kazakhstan, Zhambyl, and Turgay Oblasts—31 to 37.

The outflow of the population beyond the borders of the republic continued. Between January and April of this year 132,000 persons departed, and only 25,000 persons arrived.

Environmental Protection

As a result of a slump in industrial production and the environmental-protection measures undertaken, the volume of discharge of hazardous substances into atmospheric air by stationary sources diminished.

However, in absolute terms the volume is still very large and comes to 1.6 million tonnes. A high degree of air contamination with lead was registered in Leninogorsk, Shymkent, and Ust-Kamenogorsk. Observation of surface water contamination at 66 bodies of water indicated that out of 30,000 samples, five instances of extremely high pollution and 234 instances of high pollution were registered. For the most part these instances occur in East Kazakhstan Oblast, where the Irtysh Complex Metals Combine, the Belousovo Ore Mine, and the dressing plant of the Zyryanovsk Lead Combine are the culprits in the extremely high zinc and copper pollution in rivers.

Crime

Compared to the corresponding period of last year, a drop of 5 percent in the crime rate was noted. At the same time the number of premeditated murders and attempted murders was up 8 percent, rape and attempted rape—up 57 percent. The number of crimes related to drugs and potent substances increased by a factor of two.

Theft, especially apartment burglaries, remains the most common type of crime.

The crime rate in the economic sphere was high. Compared to the January through June period of last year, the incidence of crime increased by 15 percent and came to 11,000, of which theft of state and public property accounted for 4,000. The highest rate of growth of crime in this sphere was registered in Karagandy, South Kazakhstan, and Kokshetau Oblasts.

Some 6,000 crimes were committed by or with the participation of minors, which was 11 percent less than in the corresponding period of last year.

The rate of solved crimes in the republic as a whole came to 57 percent (in January through June 1993—54 percent).

Edict on Regional Social Assistance Funds

944K18454. Almaty KAZAKHISTANSKAYA PRAVDA
in Russian 20 Jul 94 p 1

[Edict: "Edict of the President of the Republic of Kazakhstan, 'The Establishment of Regional Philanthropic Funds for the Social Protection of Retirees and Needy Segments of the Population'"]

[Text] For purposes of the social protection of retirees, the disabled, and needy citizens, I decree:

1. The creation, under the heads of the oblast administrations and the Almaty and Leninogorskiy city administrations, of regional philanthropic funds for the social protection of retirees and the needy segments of the population (hereinafter referred to as "funds") in a total size that is equivalent to U.S. \$50 million, including the locating of \$25 million at the expense of centralized sources.

The Republic of Kazakhstan Cabinet of Ministers and the heads of the oblast administrations and the Almaty and Leninogorskiy city administrations are to complete the formation of resources for these funds no later than 1 October 1994.

The heads of the oblast administrations and the Almaty and Leninogorskiy city administrations are to channel into the funds the resources in conformity with the legislation that is in effect.

Republic of Kazakhstan Ministry of Finance is to transfer to the funds resources from the Republic budget in proportion to the receipt into the funds of resources from local sources.

2. It is established that:

—the fund resources are to be kept in specialized banks to be created in the legislatively established procedure, and are to be used for the purpose of building up the fund income;

—taking into consideration the fact that the fund income is to be channeled into the rendering of philanthropic assistance to the population, the Republic of Kazakhstan Cabinet of Ministers is to make a recommendation to the Republic of Kazakhstan Supreme Soviet concerning the freeing of those specialized banks from the payment of the profit tax;

the management of the fund is to be carried out by a board, to be formed jointly with the head of the administration. The board includes representatives of veteran organizations, agencies of the social protection of the population, and the chairman of the board of a specialized bank.

Grants and aid are issued to specific individuals within the amounts defined by a decision of the fund board.

3. The following areas are defined as the basic areas for the funds' activities:

- the rendering of specifically addressed financial and material support to retirees and other categories of needy and disabled citizens;
- the rendering of assistance in the paying of therapeutic and recuperative services at public-health institutions;
- the organizing of dining halls providing free dinners to especially needy citizens.

4. The heads of the oblast administrations and the Almaty and Leninogorsk city administrations are to report by 15 August 1994 concerning the execution of the Edict of the President of the Republic of Kazakhstan, dated 18 January 1994, No. 1509, entitled "Additional Measures For Providing the Social Support of Non-working Citizens Living Alone, From Among Retirees and Disabled Individuals" (SAPP, No. 4, Article 30).

5. Monitoring of the execution of this Edict is made the responsibility of the Main Monitoring Inspectorate, under the President of the Republic of Kazakhstan, and the representatives of the Republic's president for the individual regions.

6. The Edict goes into effect on the day of its promulgation.

[Signed] N. Nazarbayev, president of the Republic of Kazakhstan

Inter-Oblast Economic Cooperation Planned

944K19384 Almaty KAZAKHSTANSKAYA PRAVDA
in Russian 28 Jul 94 p 1

[Article by Sergey Gorbunov: "Close Neighbors Are More Dependable Than Kindly Uncles Overseas"]

[Text] A meeting of leaders of major enterprises of various forms of ownership of East Kazakhstan and Pavlodar Oblast was held in Ust-Kamenogorsk. The outcome was the signing of an agreement on economic cooperation between the two regions for this year and next.

The background to the meeting is as follows: In East Kazakhstan and Pavlodar Oblasts many enterprises are in fact idling on account of the paralysis of payments, inflation, and the loss of sales markets. The hope of obtaining credit from the government of the republic or investments from the far abroad has not been justified. The government has no money, and foreign firms are

either in no hurry to invest money in the economy of Kazakhstan or are knowingly setting unequal conditions.

In this situation oblast heads D. Akhmetov and Yu. Lavrinenko, who was, incidentally, deputy chief of the Pavlodar Oblast Administration, decided to assemble directors in Ust-Kamenogorsk so that the latter might discuss how they could together lessen the consequences of the economic crisis in the two neighboring regions.

The meeting confirmed the desire of its participants to establish partnership. The East Kazakhstanis, for example, are experiencing a great shortage of fuel and lubricants. The Pavlodar Oil Refinery is prepared to supply them, but cannot pay for the Siberian oil. At the same time, on the other hand, the Russians are experiencing a need for the products of a number of enterprises of Ust-Kamenogorsk. A triple agreement could alleviate the fuel problem. Or take the republic's gold reserves. The first bars of gold and silver have been obtained at the Ust-Kamenogorsk Lead and Zinc Works. This enterprise could produce many precious metals, but lacks the raw material. Supplies could be increased by the Maykainzoloto Stock Company, which is in Pavlodar Oblast, but the modernization of the enterprise is needed, for which the Maykainers themselves have no money. The partners have decided to do it together.

Another fact: A number of enterprises of Pavlodar are involved in the manufacture of intricate home appliances, experiencing here a shortage of small-capacity electric motors with capacitors and other components, and these have long been manufactured by the Ust-Kamenogorsk Capacitor Plant, which is living in poverty without orders or resources.

In a word, each of those present found a potential partner. Specifically, the creation of joint ventures for the manufacture at the Pavlodar Electronic Engineering Plant of audio and video equipment, at the Pavlodarkhimprom Stock Company, for the production of paints, industrial oils, and resins, and at the Puls Stock Company, of glass containers both for itself and for East Kazakhstan Oblast. Projects of a larger scale were studied also. For instance, a version of the use of the Pavlodar alumina to obtain aluminum at the Ust-Kamenogorsk Titanium-Magnesium Works.

All these accords undoubtedly need to be made more specific and detailed, but the main thing is that a change has been observed in the industrial managers' thinking: No one will be coming from "round the mountain" to raise up our economy, we need to rely to a decisive extent on ourselves and our neighbors. This is more dependable. As Akhat Kulenov, president of the Ust-Kamenogorsk Lead and Zinc Works Stock Company said, it is essential to restore the severed partner relations at the bottom, at the regional level. This is the basis of an upturn of the national economy.

Pavlodar and East Kazakhstan Oblasts are separated by fewer than 500 km. But they were until recently isolated

from each other, as it were. And you should have seen the astonishment of this director or the other when he learned that his neighbors have products, equipment, or raw material for which he had been prepared to send hard currency to the far abroad. For this reason the conference emphasized the need in the republic for an information data bank on the products being manufactured by enterprises of Kazakhstan. This is necessary for another reason also. It was ascertained that enterprises of the regions frequently duplicate one another, "reinventing the wheel," whereas this "wheel" has long since been assimilated by their colleagues. And how many such parallel works are there in the republic and how much

money is spent on creating them?! So would it not be better to undertake broad-based cooperation within the republic, which was, let us hope, initiated at the meeting of the East Kazakhstans and the Pavlodar people.

Survey on Russian-Kazakh Relationship

944K1953.1 Almaty KARAN in Russian
No 30, 29 Jul 94 p 4

[A Giller Institute report under the rubric "Public Opinion": "Is It Good To Be a Russian in Kazakhstan?"]

[Text]

The 1,000 Russian-speaking respondents, more than 80 percent of whom are Russians, who were polled in Almaty, Petropavlovsk, Ust-Kamenogorsk, Uralsk, and Shymkent, said that the attitude toward them on the part of the Kazakh population over the past year

Opinion	Percentage
Improved	3.6
Remained the same	65.8
Became worse	21.9
Had no opinion	7.8
Did not answer	0.9
To the question "Do you feel yourself disadvantaged because of your ethnic background?" they replied:	
Yes	33.2
No	60.2
Had no opinion	6.2
Did not answer	0.4
More than one-third of the respondents who experience discomfort because of their ethnic background, see discrimination by ethnic attribute expressed in the following manner:	
In renaming cities, streets, etc.	19.3
In the matters of language manifestations of nationalism	17.4
In everyday matters	17.3
In personnel policy	16.9
In cuts in Russian-language broadcasts	16.9
In education	16.8
In ethnic-based hooliganism and violence	13.5
In distribution of material and social goods	11.7
They said that they felt discriminated against because of their ethnic background:	
When it was still Soviet Kazakhstan	7.5
After declaration of Kazakhstan's independence	41.9
Over the past year	47.3
Had no opinion	1.8
Did not answer	1.5
Overall, they believe that the atmosphere in interethnic relations in Kazakhstan over the past year:	
Improved	5.7
Remained the same	29.5
Worsened	54.8
Had no opinion	9.5
Did not answer	0.5

Further on Terms of Kazakhstan-IAEA Safeguards Agreement

94P50175A Moscow *SEGODNYA* in Russian
28 Jul 94 p 4

[Mekhman Gafarly "Document": "Alma-Ata Has Signed an Agreement on Nuclear Security. It Guarantees Peaceful Use of Kazakhstan Atomic Energy."]

[Text] On Tuesday [26 July] an agreement was signed in Alma-Ata [Almaty] as a result of a three-day visit by Hans Blix, director general of the International Atomic Energy Agency [IAEA]. The agreement guarantees that nuclear energy produced in that country will be used only for peaceful purposes. IAEA Director General Hans Blix and Kazakhstani Prime Minister Sergey Tereshchenko signed the document.

The agreement envisages placing all five of Kazakhstan's nuclear reactors under IAEA monitoring. Of these, one is an industrial BN-350 [fast neutron] reactor located in Aktau on the Caspian coast. One is a research reactor in Alma-Ata. Three are experimental reactors on the territory of the former Semipalatinsk Test Site. Besides these reactors, the Ulbinskiy Metallurgical Plant, which produces fuel for atomic energy stations and is located in the eastern part of the republic, will also be placed under monitoring by IAEA experts.

At a briefing held after the treaty was signed, H. Blix said that the agreement in question will become a "control lever" in Alma-Ata's fulfillment of the commitments it has made in accordance with the Nuclear Nonproliferation Treaty, which was ratified by the Kazakhstani parliament in December 1993. Mr Blix also emphasized that "the document we have signed guarantees the use of nuclear energy only for peaceful purposes."

In accordance with the agreement Kazakhstan will receive all necessary materials to develop nuclear energy production. The IAEA will help solve the problem of replacing the working fast neutron reactor, located on the Mangyshlak Peninsula, and is also obligated to render help and offer consultations to Kazakhstan on questions of building atomic stations and using radionuclides. The IAEA will also cooperate with the republic in liquidating the consequences of nuclear testing at the Semipalatinsk Test Site.

Yesterday [27 July], IAEA experts arrived at the Semipalatinsk Test Site to visit the Kazakhstani National Nuclear Center, which is based there. The IAEA delegation's visit to Kazakhstan will end today.

Military Policy Priorities Advocated

944K1908A Almaty *KAZAKHSTANSKAYA PRAVDA*
in Russian 26 Jul 94 p 2

[Article by Leonid Bakayev, military expert of the Kazakh Strategic Studies Institute under the President of the Republic of Kazakhstan: "Priorities of Military Policy"]

[Text] As a consequence of its geopolitical position, sovereign Kazakhstan is in quite a complex situation from the viewpoint of a military-strategic evaluation. The main problems await our republic at the start of the 21st century. The forecast of the alignment of forces in the world arena shows even today that the republic's independence will have to be defended in the future not only politically or economically but also, possibly, by way of military confrontation.

The year of 1991 was the last year of the existence of the USSR, which finalized the results of the long rivalry of the two superpowers. The collapse of the Union has led to the United States now being able with every justification to consider itself the sole global superpower. U.S. hegemony is defined by four criteria: economic potential, military potential, cultural and ideological influence, political influence. But will the United States hold on to world leadership for long? In my view, it will in the coming decades gradually begin to lose its positions under the impact of internal problems and the loss of ideological influence. Even now a struggle is under way in Europe against the domination of American mass culture, and France even has official restrictions on the sphere of the use of English.

The United States will gradually step down from the pedestal of superpower, giving way to other regional powers, among which a struggle for leadership in five zones laying claim to special status: Europe, Russia, Japan, China, and the Islamic countries, will develop. While remaining merely one superpower, the United States will occupy a neutral position and will concern itself merely with its own personal security.

Under the conditions of the confrontation of new regional forces, disintegration processes could develop in Europe and Russia, the military power of Japan could grow considerably, and the expansion of China, which will aspire to hegemony on the Asian continent, will intensify. The Islamic states will attempt to expand the zone of their influence. The world will become unstable. Kazakhstan will find itself in a zone of possible claims of states that will aspire to realize their military superiority and establish domination in the center of the Asian continent.

Such is the forecast of the world order in the event of an intensification of the negative trends of the world political process.

A less likely, but predictable version of the possible situation is increased confrontation between states of the CIS as a result of border disputes, ethnic discord, and a struggle for domination in the post-Soviet space. It appears most tragic under the conditions of the disintegration of Russia under the impact, first, of an ethnic explosion directed inward, second, of Russian expansion under the slogan of unification of the Russian nation, and, third, of an aspiration to unification of the non-Russian nationalities of the Russian Federation and the

acquisition of independence by national-federative components. A struggle could develop among the remaining CIS countries for the possession of supply lines and sources of raw material.

The way out of the contemplated situation is countries' close integration. The idea of Nursultan Nazarbayev, president of the Republic of Kazakhstan, concerning the creation of a Eurasian Union and the convening of a Conference on Interaction and Confidence-Building Measures in Asia (SVMDA) appears particularly timely and attractive in this case.

Unfortunately, the world simply cannot understand the kind of possible negative cardinal changes on whose threshold it stands. The farsightedness and acuity of our first president deservedly place him among the politicians of world stature, since he lives by the interests not only of his own country and his own people, but also of the entire world community.

Let us examine the reaction of the near abroad to our president's idea.

Russia will in this situation continue to proceed from its national interests, and I am profoundly convinced that the idea of a Eurasian Union does not correspond to its present global strategy. Russia would be satisfied more by the idea of a confederation, via which it could attempt to revive its former position of "elder brother."

In the CIS countries the idea of the creation of a Eurasian Union is being perceived in complex and ambivalent fashion on account of fears of a loss of independence. Some people continue to cherish hopes that the Commonwealth might still be infused with new content and be revitalized. Although resuscitation of a dead body is a futile undertaking, and hoping for a miracle is the lot of the blessed, not of realists.

We are in resolving problems of national security duty bound to pay close attention to the shaping of the military policy of Kazakhstan. It should be defined and find its concentrated expression in military doctrine. The current doctrine is quite unsuccessful and is built on the old Soviet precepts—from the alleged hostile military encirclement to a broad demonstration of a love of peace bordering on pacifism.

The awkward wording to the effect that Kazakhstan is at the intersection of three military theaters, for example, evoked from American analysts in May 1993 during an international seminar at the Strategic Studies Institute derisive questions of the following type: "And how do you intend positioning your force groupings, along your borders, probably?" Realism must be the basis of all our calculations, for we have already been bullied—the question was suddenly put at one international conference: "On the scale of what kind of country are you thinking?"

It is essential to abandon concepts of the "military theater" type, replacing it with the "regional security" and "regional source of military danger" concepts.

The republic's military policy is required, in my view, to proceed from two international military priorities: The first is a military-political alliance with Russia, the second, integration in the military-political structure of NATO.

Military doctrine should represent a system of views on the essence, goal, and nature of a possible war and the modes of waging a war both of a large-scale nature and of local significance. Account needs to be taken in the shaping of a system of doctrinal views of a large set of economic, political, S&T, sociopolitical, ideological, military-strategic, and geopolitical factors.

The armed forces of Kazakhstan should take the path of the creation of a unified operational super-system including "information technology" facilities and systems, precision guidance systems, weapons and systems for the destruction of enemy aviation and missiles, facilities supporting combat operations at night, systems and facilities of reconnaissance and command and control of the troops (forces), and so forth.

By the start of the 21st century, tactical aviation of the armed forces of the Republic of Kazakhstan should be capable of destroying targets with air-to-surface missiles without entering the impact zone of ground-based SAM batteries.

The contemplated nature of a possible war convinces us that the accomplishment even of local assignments is impossible without the enlistment of highly trained mobilization resources. This is particularly pertinent under the conditions of limited armed forces personnel. We are sorely in need at this time, evidently, of an all-state system of the training of reserves and a new system of mobilization deployment. New approaches also to the training of troops and forces and to the corresponding training of the national leadership itself are needed.

Reform, which is dictated by many factors, the main one of which is economic, is urgent in the army. The reform should alter the structure of the armed forces and their training, the system of command and control, and their provision with equipment.

All that has been said above indicates that the army is on the threshold of cardinal changes. But we cannot repeat the mistakes in military organizational development that have already been made. Having undertaken in 1992 to build a Kazakhstan Army, we failed to lay the corresponding foundation. What can be built without a plan or foundation?

In my view, it would be expedient to create under the auspices of the Cabinet of Ministers' Defense Department an organizing committee for military problems for the formulation of a concept of the organizational development of the armed forces. And to create under the auspices of the Defense and Security Committee of the

Supreme Council of the Republic of Kazakhstan a coordinating council for military legislation, including in it military experts, lawyers, political scientists, sociologists, and economists. It is time to transfer military matters to a solid foundation, otherwise we will be unsuccessful.

Plans for Space Research Outlined

944K19664 Almaty SOVIET KAZAKHISTAN
in Russian 30 Jul 94 p 2

[Commentary by Academician Umirzak Sultangazin, recorded by Andrey Safonov: "Astronauts' Labor for the Good of the Earth"]

[Text] It feels like only yesterday when Baykonur warmly sent off another spacecraft on its long journey, but the time filled with fruitful work in space and tense waiting on Earth reminds us that the first of the planned four months in orbit for the "Agat" crafts is coming to a close. What are the astronauts' tasks, and what will their journey bring us, the earthlings?

Over the past year, the republic took a number of steps to overcome the lag in the area of space research. Among them are the participation of the first Kazakh astronaut Tokhtar Aubakirov in the International Piloted Space Expedition on board the Mir station and the creation of the republic's airspace agency and a Space Research Institute. And, finally, the planned lengthy flight of astronaut Talgat Musabayev.

Academician Umirzak Sultangazin, director of the Space Research Institute of the Kazakh National Academy of Sciences and the flight program's science director, tells us about the contents of scientific research and experiments prepared for this flight.

It consists of five sets [of tasks], says Umirzak Makhmutovich. The first is monitoring natural resources on the republic territory. Next—biotechnical, biomedical, and technological experiments, as well as astrophysical and geophysical research.

The monitoring of natural resources includes comprehensive research of the republic's natural resources, that is, analyzing the state of the soil in ecologically strained regions, making and updating thematic maps, and obtaining statistical data on the contents of atmospheric aerosols.

Biotechnical experiments aimed at more in-depth study of processes of reproduction of plant cells and development of biological system in the conditions of a space flight will provide valuable material in the area of agricultural crops selection.

Biomedical research is aimed at studying macromolecular metabolism in certain extreme conditions, studying the use of methods of nontraditional medicine. During the flight, products close to traditional Kazakh cuisine will be tested, as well as medicinal-preventive products

that possess high immuno-stimulating, anti-oxidant, anti-toxic, and anti-anemic properties.

Technological experiments will be devoted to the study of physical-chemical processes in metal smelts in the condition of microgravity, questions regarding the mechanism of degradation of polymer materials and searching for ways to stabilize them, as well as simulation of damage created in the on-board semiconductor equipment in order to eliminate its failures when operating in real conditions.

The last set envisages conducting observation from the orbital station and through ground tracking of mesospheric clouds with the purpose of studying their global distribution, morphology, optical properties and dynamics in connection with their influence of the earth atmosphere and climatic changes.

The distinguishing feature of all these directions of scientific research is that it is topical, new, expedient, and produces economic effect. Most of it continues the work began by T. Aubakirov and is designed to accommodate the interests of fundamental science and the proposals received from heads of oblast administrations, ministries, agencies, and science organizations.

The National Airspace Agency of Kazakhstan provided support for the organizational side during the program development, as well as ensured its coordination with, and approval by, Energiya scientific-industrial association and the Russian Space Agency."

KYRGYZSTAN

Flourishing Drug Trade Turning Kyrgyzstan Into 'Second Colombia'

94WD04944 Moscow NEZAVISIMAYA GAZETA
in Russian 21 Jul 94 p 3

[Article by Yevgeniy Denisenko: "A Second Switzerland or a Second Colombia? The Drug Trade in the Republic Is Advancing on the Entire Front"]

[Text] Before Kyrgyzstan becomes a second Switzerland, which is something its inhabitants dream about, it risks transforming into a second Colombia. This concern of foreign specialists in the fight against the drug trade is completely shared by their Kyrgyzian colleagues. Events of recent times only add grounds for alarm.

This spring and summer the drug situation worsened swiftly in the Republic. According to local law enforcement agencies up to 70 percent of crimes against property are being committed today by drug addicts, and drug addiction is spreading swiftly among different categories of the population, chiefly the young. People directly fighting this evil recall with unwitting nostalgia the recent times of stagnation. In those days, they

operated against drug dealers in a single front with colleagues from republics of the Central Asian region with powerful financial, material, technical and organization support from the USSR's MVD

Today Kyrgyzstan, which is experiencing difficult economic times, is fighting the hydra of the drug trade, which is gaining strength in leaps and bounds, predominantly on its own. Attempts to reestablish interaction with neighboring states are met with some efforts in response, but so far, they haven't had any real impact. At this moment according to different data up to 60,000 hectares of the Republic's land are occupied by wild hemp—the principal raw material for the production of enormous quantities of relatively inexpensive marijuana and hashish. No one has yet assumed the former mobilizing role of party committees in getting the population to uproot and destroy the grass, and the idea of establishing cost-accounting teams of the corresponding profile throughout the land is still receiving a luke-warm reception, and is being implemented with considerable difficulty.

But growth of the scale of hemp production in the Republic isn't the only cause of a perpetual headache for local drug fighters. In the words of Aleksandr Zelechenko, deputy chairman of the State Commission for Drug Control under the government of Kyrgyzstan, rapid expansion of Afghan opium into Kyrgyzstan through neighboring Tajikistan harbors even greater misfortunes. The "road of life" leading from Osh (the center of an oblast of the same name in the south of Kyrgyzstan) and Khorog (the capital of Tajikistan's Gorno-Badakhshan Autonomous Oblast), by which food and material aid is being supplied from Kyrgyzstan to the inhabitants of Gorno-Badakhshan, is swiftly transforming into a huge channel of Afghan opium smuggling. In this case Kyrgyzstan is becoming not the final destination of delivery, but only a transloading point for further distribution of opium to countries of the near and far abroad. And while back in April up to 10 kilograms of opium penetrated into the Republic daily according to data of the state commission, today this figure has increased by a factor of 6-7, and perhaps much more. In this case local law enforcement agencies in Kyrgyzstan are once again forced to oppose this smuggling with their limited material and human resources practically alone. There isn't much help to be expected from neighboring Tajiks, whose Republic has been exhausted by civil conflict. And Aleksandr Zelechenko is certain that it is precisely upon Tajikistan that the main interests of the world drug trade are focused today. The latter is interested in maintaining stability here, so that deliveries of drugs to the world market by way of former union republics that communicate with Tajikistan through transparent borders could be increased.

Opening of a route connecting the south of the Republic with China, planned in the not-too-distant-future, will complicate the situation even more, Zelechenko said. Then Afghan opium would have access to the sea

through the Osh region and the famous Karakorum Highway. The reverse route, along which strong-acting drugs—derivatives of hemp—would flow over the European and Asian continents through Kyrgyzstan and the border regions of China, will begin working simultaneously. And in the meantime, here are the statistics obtained this week by Kyrgyzian colleagues from the Administration for the Control of Illegal Drug Turnover of the Russian MVD: Just in Moscow alone, up to 10 distributors and users of Afghan opium delivered from Kyrgyzstan are detained daily. And hashish and marijuana produced here has been traced to as many as 78 points in the CIS, once again mostly in the Russian Federation.

Realizing the scale of the impending danger, Kyrgyzstan has already begun undertaking countermeasures in recent years. It became the first republic of the former Union to establish a special service in the MVD to fight the drug trade. Then the state commission mentioned above was formed, a national drug-fighting program was developed, and a fund called upon to accumulate the resources necessary for this was founded. Antidrug legislation is presently being developed intensively in Kyrgyzstan on the basis of laws on state policy regarding the fight against the drug trade, and laws concerning legal and illegal drug circulation. In its last session the Republic's parliament ratified its annexation to the three principal antidrug conventions of the United Nations, and Kyrgyzstan is actively organizing and strengthening cooperation with corresponding international organizations. Such efforts have been praised by the world community, which shares the alarm and apprehensions of Kyrgyzstan. Dzhordzho Dzhakomelli [transliteration], acting director of the United Nations drug control program and deputy secretary-general of the United Nations, recently visited the Republic after a number of visits here by special missions. He confirmed the decision of his department to provide exclusive compensation-free assistance to Kyrgyzstan amounting to around half a million dollars for the needs of fighting the drug trade. There are plans to make comprehensive use of these resources both to provide materials and equipment to the system of countermeasures and establish the new structures that are needed, and to train personnel abroad and locally with the assistance of foreign experts and specialists.

High hopes are laid in the Republic on strengthening direct interaction with a number of states of the near and far abroad, chiefly with Russia, jointly with which an agreement is presently being drafted on unifying efforts at the state level along the lines of both legal and illegal circulation of drugs.

Still, the drug trade is working with an advantage at the moment, especially in a situation where many citizens with no relationship to criminal entities in the past but who are striving to earn a living by any means in this time of economic crisis and growing unemployment, are being drawn into drug production and smuggling. Manufacture of synthetic drugs has been acquiring the nature

of an epidemic in the Republic in recent months. They are produced out of a valuable medicinal raw material that grows here in abundance—the horsetail ephedra, destruction of which is prohibited by law, in distinction from the situation with hemp. This form of drug is much more dangerous than those already known, inasmuch as a person becomes a chronically incurable addict after just one or two uses, and the kidneys, liver and other internal organs break down with lightning speed. Despite President Askar Akayev's decisive "No," there are still many people in the Republic wanting to revive opium poppy plantations on the shore of Lake Issyk-Kul, which had been eliminated back in the early 1970s by decision of Republican and union authorities and the United Nations. Specialists feel certain that the tempting and noble goal of boosting the state budget with exports of Kyrgyz opium for pharmaceutical needs would result in a Pyrrhic victory for Kyrgyzstan: it would make it much easier for the world drug mafia, which is lying low but which has hardly broken its ties with the Issyk-Kul region, to take root in the Republic.

Finally, corruption and the drug trade have always been twin brothers in all places. Today in Kyrgyzstan they haven't yet become Siamese twins, but no serious obstacles are being placed yet on their paths to each other.

TAJIKISTAN

New Political Parties, Organizations Profiled

944F09664 Moscow, *NEZAVISIMAYA GAZETA*
in Russian 6 Jul 94 p. 3

[Article by S. Kruglov: "New Political Parties Being Created in the Republic but the Clans Are Struggling for Power"]

[Text] Political parties and organizations are being created in Tajikistan different from the communist party. As a rule, they are formations of regional political elites without an adequately broad support in many, and sometimes, in all of the regions.

The People's Party of Tajikistan (NPT) was created in late 1993. It was headed by Abdumadzhid Dostiyev, first deputy chairman of the Tajik Supreme Council. The birth of the party was not an easy process. First of all, the Communist Party (as any political organization) did not exactly welcome a competitor. Secondly, during the creation of the NPT, Dostiyev was a member of the Tajik Communist Party. Because of that, to put it mildly, he was asked to clarify his position. At first there was friction between the two parties, which was based more on personalities than political differences. At present the existence of these organizations is not threatened by any mutual problems. Moreover, judging by everything, businesslike relations have been established between Emomali Rakhmonov, a Communist Party member and chairman of the Supreme Council, and his deputy, in view of the forthcoming election of the president of the republic.

The NPT has been joined by some representatives of the elite in Kulyabsk Oblast, leading figures of the People's Front, and leaders holding various ranks. The size of the party is a secret. Probably because so far it is far from fitting the image of a "people's" party and represents an elitist organization of a regional type. It is important to remember, however, that this party is among the young ones and has an attractive name, from a political viewpoint.

In all probability, at the forthcoming elections, the NPT will support the representative of Kulyabsk Oblast, which seems quite logical. Political priorities lie in the area of the democratic transformation of the republic, preservation of a civil state, and the building of healthy market relations.

The Party of Political and Economic Renovation of Tajikistan (PPiEO) was created quite recently, in February of this year. Mukhtor Babayev, an entrepreneur and a people's deputy, an Uzbek by nationality, became its chairman. His allies include Shavkat Ismailov, the minister of justice (deputy chairman) and a number of representatives of the Kanibadamsk Rayon of Leninabad Oblast. The party declared that in its activity it will be aiming at the entrepreneurial class. This class, however, is just coming into being, in addition to that, such major figures of Tajik business as A. Abdulladzhonov, S. Turayev, and others, have their own followers among the entrepreneurs. The social base of PPiEO is so far quite weak, according to the experts.

Babayev's Uzbek roots automatically guarantee him considerable support among the Uzbek community in the republic. It is known that I. Baymatov, a leader in Tursunzadevsk Rayon, supports the PPiEO. Information on the party's orientation are quite contradictory: Some say that it will support Safarali Kendzhayev, former chairman of the Supreme Council, but it is not excluded that it will likewise extend its support to the representatives of the Kulyabsk Oblast, if, of course, there is an improvement in relations between the Uzbeks and the authorities.

According to available information, at first the party favored Rashid Alimov, the minister of foreign affairs. Lately, however, the MFA (Ministry of Foreign Affairs) fell into disfavor with the authorities. Recently, for instance, hearings were conducted in the Presidium of the Tajik Supreme Council on questions concerning the personnel policy of the ministry, which it turned out does not exist at all. According to informed circles in Tajikistan, cases involving corruption among MFA leadership, including its head, were reviewed within a narrow circle of senior officials. The results of these reviews are unknown, but it is believed that the available facts are incontrovertible.

Another party, the Union of Progressive Forces of Tajikistan (SPST), was registered late this spring. This union was created by nomenklatura representatives. Bazarov, the former chief of a department of the Council

This report contains information which is or may be copyrighted in a number of countries. Therefore, copying and/or further dissemination of the report is expressly prohibited without obtaining the permission of the copyright owner(s).

of Ministers, became its head, and Karimov, the deputy minister of economy became his deputy. The union was also joined by personnel from various offices of the Council of Ministers and a number of ministries, as well as by young scientists and entrepreneurs.

The platform and goals of the SPST were worked out, as they say, in a world-class manner. The documents reflect the building of a bright nation, progress in society, development of reforms, and the like.

The complete lack of support in various regions is again a weak point. It is evident that the immediate future of the union will be devoted to the development of its regional divisions.

The Communist Party (Sh. Shabdolov, chairman) is the main political force in the republic. It is possible to regard the Communist Party as the main force primarily because it is the only one that has its organizations in all of the regions of the Republic of Tajikistan. In that sense the Communist Party is international. At present, it has around 60,000 members. At the highest levels of Tajikistan leadership, the Communist Party is represented by the chairman of the Supreme Council himself.

The opinion with which most of the political scientists agree, that power in the republic rests with representatives of Kulyabsk Oblast, must be considered a valid one. The latter is far from being equivalent to the communist party concept. It is also necessary to take into account the fact that the alternative draft of the new constitution of the Republic of Tajikistan, proposed by the Communist Party, differs significantly from that of the government.

Since we are talking about a draft of the new Tajik constitution, it should be noted that it does not provide for the participation of parties in elections. Almost all experts on Tajikistan agree that a decisive influence on election results will be exerted by the position held by regions and not parties.

Since the end of last year, the Islamic Party of Tajikistan Revival and the Democratic Party of Tajikistan have been prohibited by the Supreme Court of the republic. The question concerning renewal of their activity on the territory of the Republic of Tajikistan is one of the more complex ones included in the current dialogue between authorities and the opposition.

Deputies' Action on Language Issue Noted

944K1971A Moscow NEZAVISIMAYA GAZETA
in Russian 27 Jul 94 p 3

[Oleg Panfilov report: "The Authorities Are Conducting a New Experiment With the Tajik Language: There Is Fighting in the Mountainous Areas of the Republic"]

[Excerpt] The two-day sitting of the Supreme Council of Tajikistan session that ended on 21 July introduced a certain confusion in scholarly circles.

The deputies adopted an amendment to the Language Act that was approved in 1989 and that enshrined for Tajik the status of official language, the status of international communication, on the other hand, being earmarked for Russian. But it was not this fact that upset the people's elect: They resolved at a stroke to mar all reference books and encyclopedias, legislatively determining that the Tajik language was no longer Farsi (or, which is more understandable, Persian). The sponsor of the amendment was Deputy Shukhrat Sultanov, the recent first secretary of the Communist Youth League Central Committee, first secretary of the Communist Party's Tsentralnyy District Committee in Dushanbe, and chief of the Organizational Department of the Communist Party of Tajikistan Central Committee. The paradox of the situation is that Sultanov himself speaks Tajik with difficulty.

When devising the Language Act, Tajik philologists and lawyers believed that it would be correct to call Tajik what it had been called prior to Soviet power (inasmuch as the commissars, as of the end of the 20th century, had conducted two monstrous experiments with the language). The text of the law records: "the Tajik (Farsi) language," which was to have emphasized its true origin. In fact, the Tajik language itself has a multitude of dialects, but all official documents in, for example, the Bukhara Emirate (the territory of present-day Tajikistan was part of the emirate) were written in Farsi, that is, Arabic script was used. Thus from the time of the appearance of the first written monuments in Tajik (Farsi) in the eighth century through 1929 this is what it was called until Bolshevik intellectuals began a campaign to invent a new script, forcibly introducing the Roman alphabet. The second experiment—the introduction of Cyrillic in 1939—wholly divorced Tajiks from the literary and scientific classics. In addition, justifying the struggle against religion, special Cheka detachments in the 1930's destroyed together with the Koran ancient manuscripts, the works of scientists, and classical poetry.

The campaign that began at the end of the 1980's for a revival of Tajik (Farsi) encountered the same problems as in Moldova or Ukraine, for example. Inasmuch as the Soviet people spoke the official language of the CPSU, the communists supported in every way the movement of resistance to the revival of languages. But sensing the strength of the fledgling popular movement at that time (what came to be called nationalism), the Tajik communists headed by Kakhar Makhkamov, the first president (he was the first secretary of the local Central Committee) adopted a law on the official language, despite Moscow's opposition. Now, however, clearly playing up to the current anti-Iran mood, the deputies are rejecting elementary scientific truths.

It is also odd that the Supreme Council has not adopted a status for Russian and Uzbek, on which the national communities of Tajikistan have been insisting and which would impress a Russian Government championing the rights of the Russian-speaking population.

REGIONAL AFFAIRS

Primbetov on Tri-State Council, Agencies

944K1937A *Almaty KAZAKHSTANSKAYA PRAVDA*
in Russian 28 Jul 94 p 2

[Interview with Serik Primbetov, chairman of the Interstate Council Executive Committee, by Dinara Shugabayeva; place and date not given: "Our Man Has Become an Interstate Bureaucrat"]

[Text] As we know, during the Almaty summit of A. Akayev, I. Karimov, and N. Nazarbayev the capital of Kazakhstan was determined as the headquarters of the Interstate Council of presidents and prime ministers of Kyrgyzstan, Uzbekistan, and Kazakhstan. Serik Primbetov, candidate of economic sciences, who was previously deputy head of the Department for CIS Affairs of the Office of the President, was appointed chairman of the Interstate Council Executive Committee. Today we offer an interview with him.

[Shugabayeva] Serik Dostanovich, on 8 July in Almaty the presidents of Kazakhstan, Kyrgyzstan, and Uzbekistan agreed to form a three-dimensional space: economic, political, and defense. What went into the decision and what will its actual practical embodiment be?

[Primbetov] The states of Central Asia have long wanted and attempted to establish integration processes among themselves in the sphere of the economy, science, and technology and to get away from the plethora of rules that the State Committee for Material and Technical Supply and the State Planning Committee created in their time. The consequence of these intentions was the signing in August 1991 of an agreement on the organization of the Interrepublic Consultative Council of Central Asia and Kazakhstan. I was working in a research institute attached to the State Planning Committee at that time and was involved in the development of this document. I recall, regretfully, that in connection with the disintegration of the USSR realization of this agreement was frozen. Similar issues were raised subsequently in Tashkent in January 1993. At that time the planned creation of sectoral commissions for cotton, power engineering, water resources, and so forth ran into customs barriers, nonpayments, and much else born of the euphoria of sovereignty. But, as practice showed, you cannot live by policy alone. And in July of that same year experts of Kazakhstan and Uzbekistan worked on the intensification of economic integration for the period 1994-2000 and took to the former Union republics the proposal for the formation of an Interstate Economic Committee (IEC) that would promote the establishment of economic relations on a new basis preserving political sovereignty. But Russia and Ukraine, in particular, failed to accommodate this proposal and decided, instead of the IEC, to organize a commission of the Economic Union authorized to engage in coordinating-consultative activity and in no way monitoring the

progress of fulfillment of the agreements that had been reached, whose number by that time was in excess of 350.

Considering all these circumstances, this January the heads of Kazakhstan and Uzbekistan agreed to adopt an agreement on the creation of a single economic space, to which Kyrgyzstan also subsequently acceded. More favorable conditions of movement for our citizens was thereby established on the borders of the three states, and search became an exception.

Today, however, thanks to the meeting in Almaty, our mutual relations have strengthened even more. A number of bodies function as part of the newly formed Interstate Council: at the level of heads of state, heads of government, foreign ministers, and defense ministers. And agreement has been reached also on the formation of an interparliamentary working group designed to work on bringing our bodies of legislation closer together. For the better underpinning of this tripartite union it is planned to open a Central Asian Development and Cooperation Bank with a charter capital of \$9 million.

The defense space should be understood as the military-technical cooperation of the Central Asian states. It will contribute to a solution of questions of the logistical provision of the armed forces and supplies of arms, equipment, and munitions and also the cooperation of relations in supply of the military product and, of course, conversion. There will be joint consultations on military security and the joint training of military personnel.

Granted all this, the priority task for us is the formation of a mechanism of the single economic space of the three states.

[Shugabayeva] Can you say why the idea of the Eurasian Union is being realized, essentially, in precisely this composition? As we know, Nazarbayev's project has obtained greater support in Russia than in Uzbekistan. Or have we been misinformed?

[Primbetov] No, that is quite right. Russia truly did receive the proposed Eurasian Union project with enthusiasm. But approval alone, evidently, is not enough. As I have already said, the politicians there ponder this initiative or the other for a very long time, drag out the realization process, and ultimately leave everything as it was before. Kazakhstan and Uzbekistan have now decided not to wait for their Russian partner and have themselves, meanwhile, begun to transfer the adopted decisions and agreements to a practical footing. I would specify immediately that the proposed union will be open to all states. The first to respond was Kyrgyzstan. This was how the troika took shape. As you can see, this is not a "Muslim association" but the voluntary cooperation of interlinked economies. The three states represent a substantial region, in which 42.5 million people live. Even on the basis of the old calculations, it transpires that the bulk of the cotton, more than 90 percent

of the phosphorus, 40 percent of the wool, approximately 25 percent of the vegetable oil, and more than 20 percent of the coal, not to mention nonferrous and ferrous metals, oil, and gas, are produced here. Experts are now faced with analyzing the state of our economies anew, evaluating the potential of each state individually, and determining the economic benefit that may be derived from integration and the rational use of foreign investments.

Simply put, the need to build three identical plants, when the product of one would suffice for all, has henceforward disappeared. Great opportunities are afforded for cooperation in the manufacture of the finished product and for mutual participation in capital linked by a single production engineering chain. We will cooperate also in the sphere of the creation of transnational financial and industrial groups. Generally, the paradoxes that have arisen with the disintegration of the USSR will be eliminated. For is it normal when, with the presence of two cotton-sowing republics, the hospitals are experiencing a shortage of bandages and gauze?

[Shugabayeva] One way or another, the three Asian republics have formed a serious alliance. And if something similar is created in the European part of the ex-USSR, who should affiliate with whom, or is this of no consequence?

[Primbetov] At the Sochi meeting the heads of state of the CIS will be forced to create structures similar to ours, and we are prepared to cooperate with them. Truly, it is not who affiliates with whom that is important but [word illegible], although we are the pioneers.

We cannot, in any case, get by without Russia inasmuch as we obtain as yet 70 percent of the industrial-engineering product from there in accordance with intergovernmental agreements, and we lack, on top of all else, our own outlets to the sea. And how can we pull apart from one another when we are bound a common history many centuries long.

We will for very many decades of the post-Soviet period yet be forced to live in a single economic space since no one is waiting for us on the world market. The road toward the European Union is long and rocky.

[Shugabayeva] Serik Dostanovich, familiarize the readers with the specifics of your new job. You, as far as I understand it, have come in for the hardest part—being at the source of the formation of an interstate structure.

[Primbetov] The first meeting of the prime ministers of the three countries will be held on 5 August in Bishkek, which will consider the basic provisions governing the bodies that have been formed, the executive committee included. The estimates and numbers of the executive committee will be approved. The first recommendations for an improvement in the integration of the three republics in the sphere of pharmaceutical industry are to be adopted also.

It is not known as yet how long I will hold this office. Kazakhstan is proposing two or three years, the Uzbek side is insisting on the annual rotation of the executive committee. I will have three deputies from the three republics, and each republic will send approximately 20 persons to work here. A large area in the building of the former Ministry of Trade has already been picked out as an office. The executive committee will be funded on a parity basis in equal amounts, incidentally.

A most difficult task is that we members of the executive committee will be required to look at everything from the viewpoint of an interstate bureaucrat. Trust has been displayed in me by the leaders of the three states, consequently, I have to look out for supra-national interests. The same applies to the administrative staff also. International civil servants, who will not be representing the interests of their own republic, will work here. This will be a house of three republics, to which it will be possible to bring one's joys and problems, to consult, and to relax even. A productive meeting was held on 21 July with a Kyrgyz Republic delegation headed by A.M. Matubraimov on reciprocal supplies and cooperation in the sphere of power engineering. At the same time a delegation of the Republic of Uzbekistan was visiting Almaty, and reciprocal payments for the gas that is being supplied and settlements for Uzbekistan's transit freight across Kazakhstan were discussed.

Further cooperation was once again discussed during a brief stopover in Almaty on 26 July of A.D. Dzhumagulov, prime minister of Kyrgyzstan. That is, work here is already in full swing.

Road Connecting Almaty, Delhi Proposed

*944K1976A Almaty PANORAMA in Russian
No 30, 30 Jul 94 p 1*

[Report attributed to Aleksandr Denisenko, deputy director of the Motor Transport Department of the Kazakhstan Ministry of Roads and Transport: "A Project to Build an International Highway Between Almaty and Delhi Is Being Prepared"]

[Text] As Aleksandr Denisenko, deputy director of the Motor Transport Department of the Ministry of Roads and Transport of the Republic of Kazakhstan, told PANORAMA, the ministry, together with related departments in Kyrgyzstan, China, Pakistan, and India, is preparing the plan to build an international highway between Almaty and Delhi. The idea was advanced by the Ministry of Roads and Transport last December, after which it was discussed at a conference with ambassadors of the states concerned.

In Mr. Denisenko's words, all the states concerned have supported the proposed project. However, for unknown reasons, the PRC still has not given its consent for an Almaty-Bishkek-Kashi (China)-Rawalpindi (Pakistan)-Delhi road run this year, aimed at studying the terrain.

Nevertheless, the organizing committee for the project, headed by Nematjan Issin Kirim, Kazakhstan's minister of roads and transport, is hoping that it will be accomplished successfully. The road run from Almaty to Gilgit (Pakistan), set to begin on 12 August, may be evidence of this. It is assumed that crews from Kazakhstan, Kyrgyzstan, Pakistan, and China will take part in it. Mr.

Denisenko explained that road transport workers and specialists in road surveys will be included in the run.

At the conclusion of the trip, a meeting of the organizing committee will be held to review the results and the prospects for conducting a major road run over the territories of the five countries.

This is a U.S. Government publication. Its contents in no way represent the policies, views, or attitudes of the U.S. Government. Users of this publication may cite FBIS or JPRS provided they do so in a manner clearly identifying them as the secondary source.

Foreign Broadcast Information Service (FBIS) and Joint Publications Research Service (JPRS) publications contain political, military, economic, environmental, and sociological news, commentary, and other information, as well as scientific and technical data and reports. All information has been obtained from foreign radio and television broadcasts, news agency transmissions, newspapers, books, and periodicals. Items generally are processed from the first or best available sources. It should not be inferred that they have been disseminated only in the medium, in the language, or to the area indicated. Items from foreign language sources are translated, those from English-language sources are transcribed. Except for excluding certain diacritics, FBIS renders personal names and place-names in accordance with the romanization systems approved for U.S. Government publications by the U.S. Board of Geographic Names.

Headlines, editorial reports, and material enclosed in brackets [] are supplied by FBIS/JPRS. Processing indicators such as [Text] or [Excerpts] in the first line of each item indicate how the information was processed from the original. Unfamiliar names rendered phonetically are enclosed in parentheses. Words or names preceded by a question mark and enclosed in parentheses were not clear from the original source but have been supplied as appropriate to the context. Other unattributed parenthetical notes within the body of an item originate with the source. Times within items are as given by the source. Passages in boldface or italics are as published.

SUBSCRIPTION/PROCUREMENT INFORMATION

The FBIS DAILY REPORT contains current news and information and is published Monday through Friday in eight volumes: China, East Europe, Central Eurasia, East Asia, Near East & South Asia, Sub-Saharan Africa, Latin America, and West Europe. Supplements to the DAILY REPORTs may also be available periodically and will be distributed to regular DAILY REPORT subscribers. JPRS publications, which include approximately 50 regional, worldwide, and topical reports, generally contain less time-sensitive information and are published periodically.

Current DAILY REPORTs and JPRS publications are listed in *Government Reports Announcements* issued semimonthly by the National Technical Information Service (NTIS), 5285 Port Royal Road, Springfield, Virginia 22161 and the *Monthly Catalog of U.S. Government Publications* issued by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

The public may subscribe to either hardcover or microfiche versions of the DAILY REPORTs and JPRS publications through NTIS at the above address or by calling (703) 487-4630. Subscription rates will be

provided by NTIS upon request. Subscriptions are available outside the United States from NTIS or appointed foreign dealers. New subscribers should expect a 30-day delay in receipt of the first issue.

U.S. Government offices may obtain subscriptions to the DAILY REPORTs or JPRS publications (hardcover or microfiche) at no charge through their sponsoring organizations. For additional information or assistance, call FBIS, (202) 338-6735, or write to P.O. Box 2604, Washington, D.C. 20013. Department of Defense consumers are required to submit requests through appropriate command validation channels to DIA, RTS-2C, Washington, D.C. 20301 (Telephone: (202) 373-3771, Autovon: 243-3771).

Back issues or single copies of the DAILY REPORTs and JPRS publications are not available. Both the DAILY REPORTs and the JPRS publications are on file for public reference at the Library of Congress and at many Federal Depository Libraries. Reference copies may also be seen at many public and university libraries throughout the United States.

**END OF
FICHE
DATE FILMED**

22 AUGUST 1994